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THE TIMES

Why the Soviet Union needs the Jews, page 12

…Commons storm over £162.5m package to rescue Chrysler

…storm of protest from all …of the Commons. Mr Varley, …ary of State for Industry, …nced yesterday that the …nment's potential commit… to save Chrysler in Britain …be £162.5m. There would be …8,000 redundancies: 2,500 at … and 3,000 at Linwood. Scot… A report by the Government's "think tank" says the British car industry has too many manufacturers and too many strikes. It was released on a day when 21 Leyland workers walked out because of a smell of stray cats, and when the Rolls-Royce chairman said it was to seek £100m in state aid. The Government had a majority of 25 at the end of the Chrysler debate.

Deer in frost in Richmond Park, on the outskirts of London, yesterday. Photograph by Bill Warhurst

…000 jobs to go, but Iran order saved

…Noyes
…ntary Correspondent
…ner

…overnment's proposals …ng Chrysler UK from …m were approved in …nons last night by 285 … 260, a Government …of 25. Earlier the …-awaited commons …t on the Government's …t with the Chrysler …ion had brought a …protest from all shades …n.

…ley, Secretary of State …lustry, clearly not …d of the arrangements …ing vigorously against …, told MPs that the …ent's potential commit… avoid the collapse of …UK was £162.5m.

…ternative would have …uidation, with 25,000 …t of work in Chrysler …at least as many more …d industries. The im… contract to supply car …ran would have been …n all the effect that …e had for prospects of …rade with the country …cur balance of pay…

…Varley told the House …under the present pro… …ere would have to be …00 redundancies; 2,500 …yton plant and an im… …loss of 3,000 jobs at …in Scotland.

…Heseltine, opposition …n on industry, con… the agreement out of …aving heard the enorm… …commitment, he said, …se would understand …Varley threatened to …He would have been …sed to do so.

…vernment had not only abandoned all the recommendations of the Central Policy Review Staff but also the whole of the Government's industrial str…gy.

Mr Heseltine pounded the Government mercilessly in one of the most effective attacks heard in recent months from the Tory Front Bench.

Mr Varley, he said, was sapping the morale of the strongest in pursuit of the temporary respite of the weakest. The Government's decision rested not on jobs or imports but on political fear. The deal was negotiated in panic as a response to a political and not an economic judgment. It was a personal triumph for Mr Riccardo, chairman of Chrysler, and a national humiliation for Britain.

Explaining the agreement, Mr Varley said the Government had been prepared to accept the solution when, eight days ago, the Chrysler corporation made clear that it would be prepared to stay in Britain and that Chrysler UK would have its full support.

The company would streamline operations by moving assembly of the Avenger car from Ryton to Linwood. The redundancies would fall most heavily in the Midlands, where there were the best prospects of providing other work.

The Chrysler Corporation, Mr Varley said, forecast a loss for next year of £40m. The Government had offered to meet that and in addition would meet half of additional losses, if any, up to a limit of £20m next year, £20m in 1977, £15m in 1978, and £10m in 1979.

Continued on page 2, col 1

Cat smell dispute makes 600 men idle

By R. W. Shakespeare
Northern Industrial Correspondent

While the attention of Parliament and much of the nation was focused on the struggle for survival in Britain's car industry, and the multi-million-pound cost of trying to save the jobs of thousands of workers, about six hundred men from the Leyland Triumph car plant at Speke, Liverpool, were idle yesterday because of an unofficial strike by 21 workers who complained of a smell caused by stray cats.

The 21 men in the trim shop walked out on Monday, complaining about dirt and smell caused by the cats. Work stopped while cleaners spent 45 minutes scrubbing the floor. Then the men protested that the floor was still wet and dangerous to work on.

They decided to hold a meeting, having been warned by the management that if they did so they would not be paid for the time lost. Earlier the management had agreed with shop stewards that payment should be made for the time when the workshop was being cleaned.

At the meeting the 21 workers decided to strike as a protest against the management's refusal to pay them. Yesterday they were still out and the 600 other workers were laid off.

Production in the trim shop was stopped, although assembly of the TR7 sports car, one of the best-selling export models, was continuing, using trim components from stock. If stocks run out before the strike ends, car production may be halted

Kissinger plea to help world's poorer states

From David Blake and Charles Hargrove
Paris, Dec 16

Immediate action to deal with the growing threat posed by developing countries' balance of payments problems was called for in Paris today by Dr Kissinger, the American Secretary of State.

These deficits "could endanger not only their own well-being but also the stability of the international trade and financial system", he said at the opening session of the international conference on economic cooperation.

Addressing ministers representing 27 nations from the industrialized, developing and oil-producing countries, Dr Kissinger made a speech aimed at establishing "constructive dialogue", not confrontation. He emphasized the need for joint action by oil producers and industrialized states alike to cover the immediate payments deficits, amounting to $35,000m (£17,500m), which will face the poorer nations next year.

Even after allowance for various forms of assistance there would still be a gap of $10,000m. Much of this might have to come from the International Monetary Fund, and he looked to the oil producers to provide considerable … also.

Underlying the American belief that oil price increases have played a large part in the developing nations' difficulties, he said: "We cannot be expected to bear the major burden for remedying balance of payments problems in which the actions of others play such a significant role."

As well as short-term financial assistance, the Secretary of State called for a drop in the price of oil to ease the developing countries' problems. A low oil price would also benefit producer nations, he argued, by easing the urgency for consumer countries to develop their own supply sources.

State Department officials were at pains to point out that Dr Kissinger was not trying to threaten either the oil producers or the developing countries. It had been feared the United States would say that unless the developing nations sided with the industrialized nations in demanding an oil price cut, then American aid might be cut off.

No such warning was intended, the officials said, but they added that it was the United States' firm intention to press home to developing nations the extent to which they suffer from high oil prices, the loss they would suffer if prices were to rise even higher, and the benefits they would gain from a fall in prices.

But the United States is now seeking only a relatively minor drop in the price of oil, instead of the big cut sought a year ago. A large reduction would, in any case, be inconsistent with another important element in the American position: that there should be a minimum safeguard price, below which oil would not be allowed to be sold.

By doing this the Americans hope both to encourage energy saving in industrialized states and also to ensure a fair return on developing new sources of energy.

The idea of a minimum price also came through clearly in the speech today by Mr Callaghan, the British Foreign Secretary, who called it "an essential ingredient" in any European energy policy. Such a minimum price would help investment in … sources of energy, not just oil, as well as encouraging conservation of finite resources.

Mr Callaghan's day got off to a bad start for, after the acrimony of recent weeks about whether Britain should have a separate seat at the conference, fog in London delayed him until the opening of the afternoon session. This caused some disruption of arrangements, but finally his remarks seemed to have been received fairly well, probably helped by his clear statement that Britain accepts its responsibility to participate in the talks as part of the EEC.

The idea of a minimum oil price may take a big step forward on Friday, when the International Energy Agency (IEA) is expected to announce that its members, including most major non-Communist industrial nations, except France, have agreed to a minimum price of

Continued on page 5, col 3

Rail change to busway '£1,000m cheaper'

By Michael Baily
Transport Correspondent

If railways were converted into express busways the public would get a better service at a fraction of the cost, according to a confidential study recently completed for the Department of the Environment.

The report may be highly embarrassing to the Government, and the department said last night that no decision had been made on possible publication.

The study, by Professor Peter Hall and Mr Edward Smith, of Reading University, examines six East Anglian lines, including the main London to Harwich line, and finds that conversion would save over £30m a year.

Express buses with a terminal in Liverpool Street station could offer a faster and more frequent services than trains and still make a profit at about a third of the present railway fares.

Applying those results to British Rail's entire system (less certain freight lines, possibly worth retaining) could produce annual savings of the order of £1,000m a year at 1973 prices, double British Rail's current annual deficit, the study suggests.

The report makes a detailed economic and engineering study (Tottenham to North Woolwich and Romford to Upminster), three rural branch lines (Witham to Braintree, Colchester to Sudbury, and Crouch Valley), and one main line (Liverpool Street to Harwich, Walton, Clacton, and Southend).

It finds that the return on the cost of conversion would vary from 30 to 60 per cent a year on the rural lines and 200 per cent to infinity (since on one of the lines the value of disposable assets would exceed the cost of conversion) on the urban and main lines.

That does not include environmental benefits, which the authors believe would arise from expressways giving substantial capacity for lorries and cars (on payment of tolls) as well as buses.

They comment: "The frequent calls by environmentalists to transfer freight from road to railway can be achieved if the railway is converted into a road. Then lorries need appear on city streets only for collection and delivery, as they must even when the line haul is by train".

Conversion of the lines studied could be carried out in a matter of months, the report suggests. Pending an urgent study of the rest of the railway system, rail and road investment should be postponed, it says.

… cost about £24m, but £10m would come from disposal of land and other assets.

Reports on cuts derided

Mr Crosland, Secretary of State for the Environment, yesterday described reports of a vast cutting of rail services as "a load of codswallop". His denial came as railwaymen marched from Euston to Westminster to voice their fears about cuts.

Mr Crosland said firmly: "Stories which have appeared in the press in recent days about massive cuts to the rail network are a load of codswallop. I cannot tell whether they emanate from British Rail or the railway unions, or both, or neither.

"Whatever the source these irresponsible comments appear calculated to cause alarm and despondency I advise the travelling public to treat them with incredulity.

"When decisions come to be made on the transport policy review they will be taken by ministers and ministers alone, after full consultations with management, unions and other interests in the transport industry."

Mr Crosland's remarks were contained in a written reply to a Commons question from Mr Richard Buchanan, Labour MP for Glasgow, Springburn. He declined to make a statement on long-term rail plans.

Railwaymen's protest, page 2

Mafia link discounted in Kennedy friendship

From Our Own Correspondent
Washington, Dec 16

There was no evidence that the Mafia had ever attempted to "compromise" the late President Kennedy through his relationship with a California woman, Senator Frank Church, chairman of the Senate intelligence committee, has said.

The woman, described in the committee's report as a "close friend" of the President, was also associated with two underworld figures used by the Central Intelligence Agency in its attempts to kill Dr Castro, the Cuban Prime Minister. They have been named as John Rosselli and Sam Giancana, a Mafia chieftain murdered last summer.

The woman involved is known to be Judith Campbell, a Kennedy campaign worker who was interviewed by Senator Church's staff. According to her lawyer, she has now changed her name.

Senator Church's committee—and he emphasized the unanimity of Republican and Democrat members—did not think it "appropriate to wade into the personal life of the President", and therefore did not go beyond the Castro assassination plot in its investigation.

A key had already been provided by the *Washington Post* a few days before the committee's report. The newspaper asserted that Miss Campbell had called the President at the White House 70 times between 1961 and 1962. It disclosed the Mafia connexion and the fact that some of the calls were made from the house of Mr Giancana.

It also disclosed that it was Mr J. Edgar Hoover, then director of the Federal Bureau of Investigation, who apparently put an end to the association, apprising first the President's staff and then lunching alone with the President on March 22, 1962, after which, the account said, one last telephone call was made.

The committee went into it all to discover whether President Kennedy could have known of the plot against Dr Castro. It concluded that he had no such knowledge.

The committee report suggested that more had happened than telephoning, saying the woman "had frequent contact with the President from the end of 1960 through mid-1962".

Mr William Safire, a former Nixon speechwriter who repeatedly uses his column in *The* … Mr Nixon was no worse than his predecessors, yesterday claimed that there had been a cover-up. He asked whether the Mafia had encouraged the relationship for its own ends. Senator Church's reply to all of this was "Preposterous".

'Pretoria troops' shown in Luanda

Luanda, Dec 16.—Four South African Army soldiers, reportedly captured on the Angolan war southern front by forces of the Popular Movement for the Liberation of Angola (MPLA), were presented to the press here today.

The four, a corporal and three privates, said they were reinforcements for South African troops, which had already crossed the southern frontier.—Agence France Presse.

'100-mile incursion', page 6

…ive new …nodels …omised

…Business News Staff

…troduction by Chrysler …ve new models before …ledged in a declaration …to the British Govern… …ued by the American …on.

…ll as the new improved …scheduled for produc… …xt summer, and the …C6 car, to be assembled …e United Kingdom next …promises the introduc… …a new small conven… …ive car in 1977.

…ition it predicts the in… …n of a new van/truck …and a light car in 1979. …leclaration states that …ish subsidiary will be …y Chrysler in the same …as all other subsidiaries …ut the world and that …ucts and model range …planned as an integral …he corporation's world… …oduct plan.

Details, page 17

Too many firms and too many models

By Clifford Webb
Midland Industrial Correspondent

The long-awaited report by the Government's Central Policy Review Staff (the "think tank") on the future of the British motor industry proved even more damning than the leaks of recent weeks have suggested. It was issued yesterday, a few hours before MPs heard a Commons statement about £162.5m aid for Chrysler UK.

The review staff team documented a sorry story of "serious competitive weaknesses" with too many car manufacturers producing too many models in too many plants. It talked of poor quality, bad labour relations, unsatisfactory delivery record, low productivity and too many employees.

If these weaknesses were not corrected, it said, employment in the industry could fall by 275,000 by 1985 and the balance of trade in cars deteriorate by more than £1,000m a year at 1975 prices.

The report points out that the Government owns half the industry and cannot avoid the responsibility of leadership. But its recommendations must have been acutely embarrassing for ministers who knew they must flout them to carry out their Chrysler rescue plans.

One of the report's main proposals is a reduction in production capacity. It emphasizes that there is 45 per cent spare capacity—enough for a million cars—in British plants and concludes: "It is therefore clear that if the industry is to become viable, there is no alternative but to cut capacity by at least 400,000 units."

The report met with general approval from manufacturers last night, but as expected, came in for union criticism.

Mr Robert McCusker, assistant general secretary of the Association of Scientific, Technical and Managerial Staffs, said it had been compiled by self-appointed experts who had acted hastily and superficially.

Report, page 8

…Rolls-Royce 'will go bankrupt again without more government aid'

…ur Reed
…colm Brown

…Royce, the state-owned …ine company, is still in …difficulties, five years …e crash that made the …Rolls-Royce bankrupt. …ecame clear yesterday …r Kenneth Keith, chair… …the company, said Rolls… …ould be asking the Gov… …for more than £100m …king capital for 1976. …what would happen if …yce did not obtain the …Sir Kenneth said he sup… …e company would have …or bankruptcy again.

…I am certain that that …happen", Sir Kenneth …He castigated the Gov… …t for its rescue of …. Rolls-Royce had been …"very short financial …by the Government, and …s me like hell to see this …going into Chrysler", he

…enneth's remarks caused …in Whitehall and at the …l Enterprise Board, …chairman, Lord Ryder of …Hastings, is completing …ns to take over Rolls… …(1971) within the next …eks.

…Kenneth complained yes… …that the company had …been properly financed …he bankruptcy in 1971 …w wanted a large sum …ey "just to stand still".

It was having a continuing dialogue with the Treasury, "which means that we write a letter and do not get an answer".

Additional finance was also needed for future projects. Of the £100m which would come from the deal signed in Peking last weekend to supply Spey engines and technology to the Chinese the British Government would take about a quarter. Sir Kenneth hoped that the rest could be used for research and development.

"There is no doubt that the company has turned the corner but what we need is government support for the future," he said. "Each time a new minister comes along he opens the oven door to see how the bun is cooking. The whole British procurement policy in aviation has been one of casting bones to starving dogs."

The Department of Industry, which is responsible for Rolls-Royce until the company is vested in the National Enterprise Board next month, had no comment to make last night.

But, privately, Whitehall officials gave the appearance of shifting back some responsibility to Sir Kenneth. It was not clear where the burden of blame might lie for the failure of the two sides hitherto to agree a long-term plan for the company, looking about five years ahead.

The department, although it has an estimate of Rolls-Royce's working capital needs for 1976, has not yet received a budget application for that year. The company received £85.3m between nationalization in 1971 and 1974 and was given a grant of £110m working capital this year.

There was doubt in Whitehall last night about who would be the correct recipient of the budget application when it was ready—the department or the NEB. But it was emphasized that, if necessary, money would be made available to tide over Rolls-Royce until it was taken over by the NEB.

The NEB said: "When it comes then obviously it would be a matter for us to consider. . . . In that we shall look at the whole of the Rolls-Royce (1971) situation we shall obviously look at this request."

Rolls-Royce said later that suggestions that Sir Kenneth Keith had said the company would go bankrupt if it did not get further financial help from the Government were strongly denied.

Deal with China, page 6
Lockheed fears, page 17

Junior doctors to continue industrial action

Industrial action by junior hospital doctors is to continue for at least another week, their national committee decided yesterday. They want more talks to clarify certain points in the peace formula decided on last week, and say they will consider calling off their action in seven days' time if those points are cleared up by then. After an eight-hour meeting, they said the good faith of the Department of Health and Social Security would be apparent only when an assurance was received from Mrs Castle that contracts and job descriptions would be drawn up immediately Details, page 2

Woman admits deliberate attempt on Mr Ford's life

Sara Jane Moore told a court in San Francisco yesterday that she had planned to shoot President Ford with the "specific intent" of murdering him. At the hearing to decide whether her plea of guilty should be accepted, she seemed to indicate that she might not have been alone in considering an attempt on the President's life at some earlier date Page 3

McWhirter service

Mrs Thatcher, leader of the Opposition, was present at a memorial service at St Paul's Cathedral yesterday for Mr Ross McWhirter, who was murdered on November 27. Lord De L'Isle, VC, chairman of the National Association for Freedom, gave an address Page 15

Legal rights for the unborn child

Mr Raymond Carter, Labour MP for Birmingham, Northfield, is to introduce a private member's Bill providing for rights in law for the unborn child to seek damages if it was born with deformities caused by drugs, such as thalidomide, or by nuclear or industrial waste Page 3

Roberts takes 7 for 54

Andy Roberts, who helped West Indies to beat Australia by an innings and 87 runs in the second Test match at Perth, achieved the best bowling figures by a West Indian against Australia by taking seven wickets for 54 runs. Page 7

British beef defended

Mr Peart, the Agriculture Minister, denounced in Brussels yesterday an EEC proposal to phase out Britain's special system of beef market support by mid-May, 1976. If approved, "it would wipe out one of the main concessions won during the renegotiation of EEC membership." Page 5

Privacy call: Legislation to set up a statutory Data Protection Authority, with powers to ensure that computers are used with a regard for privacy is proposed in a White Paper 4

Rhodesia: Commission on racial discrimination charts depths of feeling among whites at the prospect of integration 6

Moscow: Russian supersonic airliner will go into service on Christmas Day, about a month ahead of Concorde 6

European Industry: Eight-page Special Report on present recession and future prospects

HOME NEWS

NUR threat to stop its sponsored MPs backing Government

By Christopher Thomas
Labour Staff

Ten MPs sponsored by the National Union of Railwaymen would be expected to withdraw support from the Government if plans for big cuts in the rail industry went ahead, Mr Sidney Weighell, NUR general secretary, said yesterday. He added later that he did not know if his remarks could constitute a breach of parliamentary privilege.

He was cheered by several thousand rail workers at a mass meeting in London when he said that unless the Government changed its plans the union would not hesitate to say to its 10 MPs that they should no longer support the Government, no matter how critical the situation.

Mr Weighell said later that he was not referring to an overall withdrawal of support, but only to matters adversely affecting the railways. He continued: "The MPs know that when I am talking about the railways there is no area in which they can deviate from what we are expecting of them.

"We give our people a great deal of freedom, but when we get in the area of the railways we do not expect any deviation. I do not anticipate any problems."

Mr Robin Cook (Edinburgh, Central), an NUR-sponsored MP, said last night: "Mr Weighell was in full flight and we are all familiar with occasions when one wishes one had phrased something differently. I have had no approach from the union and I would be surprised if I received one. I would not make very much of the comment."

Another NUR-sponsored MP, Mr Gordon Bagier (Sunderland, South), said he could not believe Mr Weighell had meant what he said. "In 11 years I have never been instructed by the executive of the NUR", he added.

Mr Weighell began his speech at Central Hall, Westminster, by calling Mr Crosland, Secretary of State for the Environment, "a bloody liar" over a Commons written answer issued yesterday. In it Mr Crosland said reports that had appeared in the press in recent days about rail cuts were "a load of codswallop".

Decisions would be made by ministers alone, "after full consultation with management, unions and other interests in the transport industry", Mr Crosland added.

Mr Weighell told the meeting, which was preceded by a march of several hundred railwaymen and followed by a lobby of MPs to demand that there be no cuts in the railways, that the Department of the Environment was riddled from top to bottom with people who planned roads. Seventy people dealt with railways, 1,700 with roads.

"There will be a cut of no less than 35 per cent in the money available for investment in the years 1977-81", he said. "There is no arguing about it. The figures have been given to us by the British Railways Board, and it means a progressive rundown in the industry.

"The high-speed train will be one of the first casualties. The replacement of out-of-date rolling stock will end and gradually, step by step, the industry will disintegrate. Then there will be a case for closing the lot."

Mr Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen (Aslef), said that Mr Weighell's warning to MPs, if carried out, could bring down the Government. He continued: "I welcome what he said. We were talking to some Labour MPs last night and they said they could not support any decisions which would mutilate the railways." He later called Mr Crosland stupid over his "codswallop" statement.

Mr Crosland was also criticized for the timing of his Commons reply by Mr Walter Johnson, MP for Derby, South, who is sponsored by the Transport Salaried Staffs' Association, one of the three railway unions.

"He could have saved a lot of difficulties and trouble within the trade union movement if he had made the statement two or three weeks ago", Mr Johnson said. "My view is that he has been forced to make it as a result of the massive response in the country to the campaign of the railway unions."

The NUR-sponsored MPs are Mr Thomas McMillan (Glasgow, Central), Mr Richard Buchanan (Glasgow, Springburn), Mr Gordon Bagier (Sunderland, South), Mr Ronald Lewis (Carlisle), Mr Peter Snape (West Bromwich, East), who is a whip, Mr Leslie Spriggs (St Helens), Mr Phillip Whitehead (Derby, North), Mr Michael O'Halloran (Islington, North), Mr Tam Dalyell (West Lothian) and Mr Robin Cook (Edinburgh, Central).

National Union of Railwaymen protesters leaving Euston yesterday for their march through London

British Rail to spend £1.5m on a new depot

British Rail is to spend £1.5m on a new locomotive and carriage maintenance depot at Penzance, Cornwall, it was announced yesterday. It will service air-conditioned coaches to be used on Inter-City services between London and the West of England and eventually the high-speed trains it is planned to introduce on the route in the 1980s.

Last week the three railway unions maintained that there were plans to cut the railway system drastically, leaving no lines west of Plymouth, and thus cutting off Penzance. But the Department of the Environment dismissed that as pure speculation.

British Rail's Eastern Region said yesterday that it was to increase services and open a new station on the Middlesbrough-Whitby line in Cleveland. The 35-mile line, once threatened with redundancy, now carries 500,000 passengers a year, after promotion campaigns. An extra train will run in each direction to fill a gap in the afternoon, and a new shuttle service is to operate from Middlesbrough to Nunthorpe, a growing residential area. Those improved services will operate from next May.

The new station, to be called Gypsy Lane, will be opened, with financial support from Cleveland County Council, in another rapidly growing residential area a few miles from Middlesbrough. At present it is not served by any form of public transport. British Rail said yesterday that 55,000 people travelled on the line in August, an increase of 77 per cent over 1972. Present traffic levels are 40 per cent up on last year.

The Scottish National Party, which is "totally opposed to any cuts in the Scottish rail network", is to try to make Scotland responsible for her own transport.

Dangerous man jailed on firearms charges

A man described by a detective as a professional armed bank robber wanted for murder in France was jailed at the Central Criminal Court yesterday for 10 years for attempting to use an automatic pistol to resist arrest in a London hotel.

Alain Thomasson, aged 30, alias Albert Messhen, a Frenchman, was also accused of attempting to murder Det Inspector Derek Croft on July 29 this year, but the jury could not agree on a verdict, and was discharged. Mr Thomasson denied both offences.

The jury was told that the charges arose from an incident at the Holiday Inn Hotel, Marble Arch, in which four plainclothes policemen had a terrific struggle to disarm Mr Thomasson.

He admitted having a 9mm Browning automatic pistol, a Luger revolver and a Sten gun without a firearms certificate; having ammunition to fit the guns without a certificate; and having a specially adapted Sten gun. He was given concurrent jail sentences of three years for each offence.

The jury was also discharged from giving a verdict on an alternative charge that Mr Thomasson had an automatic pistol with intent to resist arrest.

Sentencing Mr Thomasson, Mr Justice Boreham said: "This country has enough violence without the likes of you coming here to add to it. I have no doubt that the Browning automatic was not only loaded but was cocked and ready to fire, and but for the courage and quick reaction of those police officers you would have had that not only in your hands but you would have used it. You are a dangerous man."

Det Inspector Croft said Mr Thomasson was wanted in France for the murder of a police officer and the attempted murder of another policeman, and for the theft of arms at Bordeaux on May 16 this year. He was also wanted in France, Belgium and Holland for bank robberies.

Mr Guthrie Jones, QC, for the defence, said his client denied that he was Mr Thomasson and a professional armed bank robber.

Junior doctors to continue action

By John Roper
Medical Reporter

Junior hospital doctors decided yesterday that the agreement reached with Mrs Castle, Secretary of State for Social Services, in 10 hours of discussion last week did not yet give ground for ending their industrial action.

At an eight-hour meeting at British Medical Association headquarters the mistrust felt by the juniors in their dealings with the Government was a key point.

A statement after the meeting said that if Mrs Castle could clarify points at issue in the text of the agreement the Hospital Junior Staffs Committee would meet again in seven days' time to consider whether sufficient progress had been made to justify calling off the industrial action.

The statement said the genuine nature of that progress and of the good faith of the department would be apparent only when an absolute assurance was received from the minister that contracts and their related job descriptions would be drawn up without further delay.

It requested Mrs Castle to return to negotiation urgently and immediately to clarify a number of points in the text of the agreement. The statement ended: "In view of the long history of this dispute and its concomitant broken promises the committee feels that there are not yet grounds for discontinuing industrial action."

Dr Peter Zacharias, chairman of the negotiating committee, said the most important principle was the relationship between basic salary and the standard working week.

All juniors felt extreme disquiet about a clause saying that the job description of a doctor in the training grades set out the duties of his post, and that in addition he accepted that he would perform duties in occasional emergencies and unforeseen circumstances.

The last few words needed clarification. "We feel strongly that the profession, and not the administration, should decide what hours doctors should work and the type of work they do", he said.

Some regions felt extremely militant, and an increase of industrial action was possible.

The meeting felt that the agreement as it stood limited the doctors' room for manoeuvre when they went to the review body.

Leading article, page 13

Hospital staffs increase but fewer beds used

By John Roper
Medical Reporter

In eight years up to 1973 a progressive increase in staff, particularly those employed in administrative duties in National Health Service hospitals, has been accompanied by a progressive decline in the daily occupancy of beds, according to a report published yesterday.

Its author is Dr Max Gammon, who left clinical medicine four years ago to undertake research into medical care. His report, which is being sent to the royal colleges and the Department of Health, is based on official figures for the years 1965 to 1973, the earliest and latest for which there are complete statistics.

The report shows that in the eight years total hospital staff increased by 28 per cent, nursing and midwifery by 34 per cent, ancillary staff by 16 per cent, medical and dental staff by 39 per cent, and administrative staff by 51 per cent.

In the same period the number of beds occupied daily, an important measure of hospital "productivity", fell from 451,000 in 1965 to 400,000 in 1973. In 1965 there was one administrator or clerk to 9.5 occupied beds. In 1973 there was one to 5.6.

Total staffing requirements might be expected to be significantly affected by an increase in the rate of patient turnover only when the number of beds occupied daily was constant or rising, the report says.

Manpower and numbers of beds occupied daily. 1965-1973. UK NHS hospital service (St Michael's Organization, 80 Highgate West Hill, London, N6. £1.)

Coin dealer is fined £40,000 for gold plot

Martin Davies, aged ... London coin dealer, was fined £40,000 at the Central Criminal Court yesterday for ... importing South African krugerrands worth £250,000 into Britain. His company, Baronsons Metals ... Mount Street, Mayfair, was fined £5,000.

He was arrested after krugerrands had been found in a Rolls-Royce parked ... his Mayfair office on ... few weeks after the Chancellor had banned their import ... court ordered the krugerrands to be confiscated.

Judge Gwyn Morris called it a case of "go... and treachery". He told Davies: "In defiance of the prohibition of the import on krugerrands you were prepared to engage in ... organized conspiracy ... for high stakes."

Mr Davies pleaded guilty to conspiring with others to evade the import ban on 2,85... rands. His company ... guilty to a similar charge.

Mr Davies changed ... on Monday, the tenth day of the trial.

Mr John Newey, for the prosecution, said Baronsons was formed by Mr Davies and ... Palmer for whom th... were looking in America ... company existed mainly ... in krugerrands, and when ... import was banned Mr ... and the company sought ... ways of bringing them ...

Two young Swiss, ... Brunner, aged 25, and ... Schwegler, aged 19, arrived in Britain with krugerrands destined for Baronsons on ..., Mr Newey said. Mr ... was found to have 350 ... rands in a suitcase by customs officers at Heathrow airport, London. After interviewing him customs officers went to Baronsons, where they found the krugerrands ... Davies's car. The two Swiss have been fined £5,000 each.

RC archbishop may be appointed soon

By Our Religious Affairs Correspondent

The process of consultation before the appointment of a new Roman Catholic Archbishop of Westminster has been completed, the Apostolic Delegate in London, Mgr Hein..., said yesterday.

More than ninety names have been suggested, and more than 800 people have written to the Apostolic Delegate about the appointment which, it is expected, will be made about the middle of next month. The chapter of Westminster Cathedral and the bishops of the Westminster province have made proposals, and Mgr ... has transmitted his conclusions to the Vatican.

Some suggestions have mentioned candidates who ... indicated that they were ... willing to be considered, particularly for reasons of ... It is understood that the Archbishop of Birmingham, ... Dwyer, is among them.

Rex Harrison decree

The four-year marriage of Rex Harrison, aged 6..., actor, and his fifth wife, ...beth, daughter of Lord O..., ended in the London ... Court yesterday. Mrs H... was granted a decree ... the ground that the marriage had broken down because of Mr Harrison's conduct.

MP gives up post

Mr Mark Hughes, Labour MP for Durham, has resigned as parliamentary private secretary to Treasury ministers ... of his duties as a member of the European Parliament.

Government 'isolated from its rank and file'

Continued from page 1

That made a total commitment to provide up to £72.5m over those four years. The Government had also undertaken to provide a loan of £55m to finance capital expenditure on plant and model development. The Chrysler Corporation in return would guarantee £28m of that amount.

The corporation would also provide £10m to £12m for the first stage of a programme to enable the C6 Alpine model to be assembled at Ryton from kits imported from Simca in France. That would involve a further capital development programme for Chrysler UK of about £23m.

Mr Varley said the London and Scottish clearing banks had agreed in principle to provide a medium-term loan up to £35m against the Treasury guarantee.

Mr Varley explained that the total commitment of £162.5m included the maximum guarantee liability for the £35m medium-term loan, the full £28m of capital development and the maximum possible loss payments year by year.

The Chrysler Corporation, he said, instead of pulling out, was now prepared to increase substantially its financial commitment in Britain. The Government would be appointing two directors to the Chrysler UK board. The whole future of the operation depended on the fullest cooperation of the workers in accepting redundancies and the movement of work between plants.

On no single occasion in recent years has the Parliamentary Labour Party been so clearly demoralized and divided as it was yesterday over the Government's agreement with Chrysler.

Even on the Government Front Bench, where Mr Harold Lever, the minister supposed to be the guiding hand behind the settlement, Mr Varley, Mr Ross, Secretary of State for Scotland, and Mr Foot, Secretary of State for Employment, sat shoulder to shoulder, brotherly indisolubility appeared to be on the wane.

As Mr Heseltine thundered his anathemas about the deal from the Tory front bench, ministers squirmed uncomfortably as their backbenchers sat coldly silent, refusing pointedly to come to their support with even the murmur of a cheer.

Glaring at Mr Lever, Mr Heseltine reminded the House of the Cabinet divisions and said the Chrysler deal was negatived by one minister behind the back of the minister responsible. "Rubbish", Mr Lever shouted.

Whatever the success of party managers at the end of the debate in whipping the support of Labour MPs, there could be little doubt that seldom before has the Government been so isolated from its rank and file.

Mr Patrick Duffy, chairman of the select committee on expenditure, which produced the report on the motor industry, asked how Mr Varley reconciled the funding proposal for Chrysler, a United States corporation which was privately owned.

Another Labour MP, Mr Eric Moonman, said the tragedy of the Chrysler situation was that the company had gone right to the head of the queue and got exactly what it wanted.

The Government seemed to be propping up an ailing motor manufacturing company not even owned by British shareholders. There was a widespread feeling, he went on, that money put into Chrysler would go straight into the pockets of the Americans.

He felt that Chrysler would be saved only at the expense of other companies in the industry. The Chrysler declaration of intent, Mr Moonman said, was the most scandalous piece of paper to have been negotiated with the Government.

Returning to the attack as the debate opened, Mr Heseltine said the Secretary of State's case was indefensible. Mr Varley claimed that the Government was saving jobs and creating a long-term viable company.

But, Mr Heseltine went on, the Opposition refuted those claims, maintaining that the agreement would prejudice job prospects in Britain. The plans announced by the Government would not ensure a viable future for Chrysler UK.

Mr Varley was preserving one set of unviable jobs at the expense of another set of productive jobs, and he was doing it for entirely political reasons. To loud Tory cheers, Mr Heseltine said the Government was destroying the employment prospects that had been the chief justification of the new industrial strategy.

Court Line victims told to keep agents' receipts

By Patricia Tisdall

Disappointed Court Line holidaymakers who have not yet been given refunds were warned by Mr Eric Deakins, Parliamentary Under Secretary of State for Trade, yesterday to preserve any evidence of payments to travel agents.

The warning is seen as evidence of growing concern about travel agents' abilities to repay money held pending a winding-up of Court Line's affairs.

A scheme announced by the Association of British Travel Agents last month made provision for agents to send that money, thought to total about £2m, to an independent stakeholder. Once that had been done holidaymakers would be compensated out of the Government's air travel reserve fund.

Travel agents were given until December 31 to hand over the money. The latest estimates are that more than 1,500 retail companies have complied with the request and have handed over £1.6m.

However, concern is increasing about a few travel agents who, through business failure or for other reasons, have not responded. It is understood that Mr Deakins's warning was addressed to customers of those companies who may have to make claims individually from the fund.

RUC is granted a warrant for extradition

From Christopher Walker
Belfast

At a time of ill feeling between the Irish and British governments over extradition the Royal Ulster Constabulary was granted a warrant yesterday to extradite a suspected terrorist from the Republic of Ireland.

Mr Patrick Livingstone, aged 21, who was arrested in the border town of Dundalk on an assault charge, is wanted in connexion with the killing last August of Mr Samuel Llewellyn, a Belfast council worker, who was later dubbed "the good Samaritan".

Mr Llewellyn, a Protestant unconnected with any political organization, was delivering hardboard to Roman Catholic houses in the Falls district of Belfast, which had been damaged by a car bomb, when he was dragged from his vehicle and shot eight times.

The outcry the murder caused throughout the minority community in Northern Ireland will draw attention to the latest extradition warrant.

Since 1971 the RUC has tried 49 times to extradite men from the republic for so-called political offences but has never previously succeeded in getting round the loopholes in the extradition arrangements between the two countries.

Charges possible soon on McWhirter case

No charges have yet been brought against men in custody in connexion with the killing of Mr Ross McWhirter last month on the doorstep of his home at Village Road, Bush Hill Park, Enfield, Det Chief Supt Nigel Reid told Dr David Paul, the Hornsey Coroner, yesterday. But he added: "I should imagine that in the very near future it is possible."

Mr Reid said the matter was in the hands of the Director of Public Prosecutions, and that in the circumstances it would be wrong to release the body for burial.

Adjourning the inquest for a further week, Dr Paul said: "I am prepared to hold this body only for another week. At the end of the time I will release it for burial to comply with the family's wishes."

Memorial service, page 15

Police praised by MPs

A House of Commons motion congratulating the Metropolitan Police on their successful conduct of the Balcombe Street siege has been signed by 139 MPs (our Political Staff writes).

The MPs, mostly members of the Conservative Party, but including some Labour members, particularly commend Sir Robert Mark, Commissioner of Metropolitan Police, for his cool and outstanding leadership.

Siege men face bomb questions

The four Provisional IRA gunmen held after the Balcombe Street siege have been questioned about the Caterham public house bombing last August as well as terrorist attacks in London over the past 18 months.

Officers from Surrey bomb squad have joined the questioning at Paddington Green police station.

Mrs Thatcher says 'easy option' will destroy jobs

Mrs Thatcher, Leader of the Conservative Party, said last night that the Government had sacrificed its whole industrial strategy by giving in without a struggle to short-term pressures on Chrysler.

"They have gone for the easy option", she said. "In the long run they will not save jobs; they will destroy them. This is not job preservation but job destruction; not backing winners, but creating losers."

Speaking to the British Institute of Management in London, she concluded that the Government's sole purpose was day-to-day survival. The difficulties facing Chrysler were typical of those facing the whole British economy. "We have turned our eyes away from the reality. But now the crunch has come, with Chrysler."

Mrs Thatcher questioned for how long most of the jobs at risk were to be saved. "There is to be a new Chrysler car, too. But again, for how long? Until £160m has run out?"

Mr Varley's statement to the Commons, she said, offered no real answer to the difficulties of the car industry. She saw little sense in saving jobs at Chrysler now, only to threaten them at Leyland or Vauxhall in the future.

"Where is the sense in spending so much money when we have been given no assurance that it will bring any real answer to the industry's fundamental problems", she asked.

TUC to discuss implications of Varley package

By Paul Routledge

The unions responded with reserve but not open hostility to Mr Varley's Chrysler package, making clear that their concern for saving jobs overrode considerations of political accountability.

Mr Len Murray, TUC general secretary, said: "My immediate reaction, without having had a chance to examine all the details, is that, while this is not an ideal solution, which was not available anyway, it will save a lot of jobs. But it still means redundancies, and nobody is going to be happy about that."

The TUC is to investigate the implications for employment and industrial strategy of Mr Varley's package. The whole issue of the Government's rescue plan for Chrysler is expected to figure prominently at today's meeting.

Scottish "catastrophe": There was strong reaction in Scotland to the proposed cut of 3,000 jobs at Chrysler's Linwood factory.

Mr James Milne, general secretary of the Scottish TUC, said: "Such a drastic reduction in the labour force of a firm that virtually supports the town of Linwood will be near catastrophe."

"Buying votes."—Mr John Stokes, Conservative MP for Halesowen and Stourbridge, said: "This is the largest attempt by the Government to buy votes since the time of Walpole."

Only a small packet of measures expected from Mr Healey today

By Our Political Editor

Only a small package of measures is expected at Westminster to be introduced in a Commons debate today by Mr Healey, Chancellor of the Exchequer, to curb the rise in unemployment.

That comes after the meeting of the EEC finance ministers on Monday at which Mr Dell, Paymaster General, outlined the Government's intentions on selective import controls. He is reported to have made clear that, under article 135 of the Treaty of Accession (Part 1), only a very small package would be involved.

The Chancellor is under extremely strong pressure from a large group of Labour backbenchers to bring in selective import controls against some of Britain's most successful competitors in the sale of cars, textiles and footwear.

Mr Healey has to give his rank and file something, after reaching broad agreement with Britain's partners.

It is expected that he will help to create work in some areas by relaxing hire-purchase controls (extending credit terms and reducing deposits) and perhaps try to limit the Anglo-Japanese imbalance by limiting Japanese imports.

Last night members of the Tribune signed a motion calling on the Government:

to resist all cuts in essential public expenditure; to reduce imports by selective physical controls; to introduce stricter controls over speculative investment of capital overseas and mobilize the privately held portfolio to protect our foreign reserves; and to utilize the NEB, planning agreements and the extension of public ownership to boost industrial investment and output.

The motion also called for realistic cuts in defence spending, with the transfer of workers to more productive employment elsewhere, and for more generous credit facilities for prospective overseas buyers, especially third world countries.

The signatories note that such measures should lead to a gradual reflation of the economy and reduction in unemployment.

The parliamentary committee of the Association of Scientific, Technical and Managerial Staffs met yesterday to discuss the economy and the Government's proposed unemployment package.

Mr Eric Hoyle (Nelson and Colne) said afterwards that they believed the measures to be announced by Mr Healey today would be "too little, too late". They demanded general import controls and also action to prevent the flight of capital. It was no good depending on an upturn in world trade to restore the economy to health.

After the unemployment debate there will be a debate lasting an hour and a half on the order authorizing the Government's financial aid to Chrysler UK.

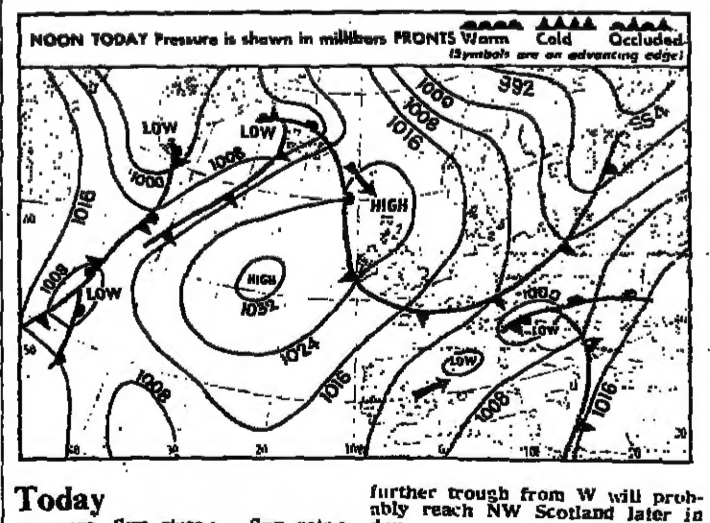
That is when the real test will come for Labour backbenchers on both the right and left wings of the party who last night were conveying their opposition to the Government's decision on two fronts.

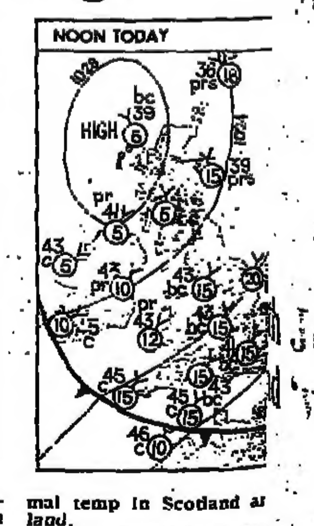
Those on the left, including many trade union MPs, want a government share in the equity of the company in return for the injection of public money. Other dissidents say the money could be better spent on aid to viable industries.

Mr Neville Sandelson, Labour MP for Hayes and Harlington, and other Labour backbenchers sought a meeting last night with Mr Lever, Chancellor of the Duchy of Lancaster, who played a large part in devising the final agreement with Chrysler.

Mr Sandelson said: "We are buying off unemployment in this industry for a short space of time. It is not a question of voting for more unemployment: it is a question of putting money where it can produce more employment through the development of viable industries. We are simply throwing good money after bad."

Weather forecast and recordings





Today

Sun rises: 8.1 am Sun sets: 3.52 pm
Moon sets: 6.38 am Moon rises: 3.16 pm
Full moon: Tomorrow.
Lighting up: 4.22 pm to 7.32 am.
High water: London Bridge, 12.36 am, 6.6m (21.6ft); 12.52 pm, 6.5m (21.4ft). Avonmouth, 6.7 am, 12.1m (39.7ft); 6.32 pm, 12.3m (40.3ft). Dover, 10.8 am, 6.1m (20.0ft); 10.32 pm, 6.2m (20.4ft). Hull, 5.0 am, 6.6m (21.8ft); 5.21 pm, 6.9m (22.7ft). Liverpool, 10.15 am, 8.6m (28.3ft); 10.32 pm, 8.7m (28.4ft).

A weak trough of low pressure near S England is expected to move away S. A ridge of high pressure will move from NW Scotland to central England while a further trough from W will probably reach NW Scotland later in day.

Forecasts for 6 am to midnight:

London, Midlands, Wales, NW England, Lake District, Isle of Man, SW Scotland, Glasgow, Argyll, N Ireland: Dry, sunny spells; wind mainly NE, moderate; frost early and late; max temp 5°C (41°F).

SE England, Channel Islands: Cloudy, a little rain, brighter later with scattered wintry showers; wind NE fresh; max temp 5°C (41°F).

Central S, SW England: Perhaps a little rain early, then dry, with sunny spells; wind NE moderate; max temp 5°C (41°F).

Outlook for tomorrow and Friday: England and Wales rather cold with overnight frost and fog patches, occasional rain and normal temp in Scotland and ... land.

Sea passages: S North Sea, Strait of Dover: Wind ... strong; sea rough.
English Channel (E): ... moderate, becoming NE ...; sea slight, becoming mo...
St George's Channel, I...: Wind N to NE, moderate; sea slight or moderate.

Yesterday

London: Temp: max, 6 pm, 5°C (41°F); min, 6 am, −1°C (30°F). ... 6 pm, 84 per cent. Rain, 6 pm, nil. Sun, 24hr, 0.1hr. Bar, mean sea level, 1,014.9 millibars, falling. 1,000 millibars = 29.53in.

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; d, drizzle; f, fair; fg, fog; r, rain; s, sun; sn, snow; th, thunder.

		C	F			C	F			C	F			C	F
Algiers	c	18	64	Cologne	c	-3	27	L Palmas	s	19	66	New York	c	6	43
Amsterdm	s	0	32	Copenhgn	c	5	41	Lisbon	r	8	46	Nice	r	13	55
Athens	c	15	59	Dublin	c	4	39	Locarno	r	6	43	Oslo	s	6	43
Barcelona	c	13	55	Edinburgh	s	4	39	London	fg	3	37	Paris	c	-2	28
Beirut	f	17	63	Florence	r	12	54	Luxembg	fg	-5	23	Reykjavik	f	-10	14
Belfast	f	4	39	Funchal	r	14	57	Madrid	c	7	45	Rome	d	16	61
Berlin	c	-1	30	Geneva	r	3	37	Malorca	s	18	64	Ronldsway	c	8	46
Bermuda	s	25	77	Gibraltar	r	13	55	Malaga	th	11	52	Stockholm	r	0	32
Biarritz	f	9	48	Guernsey	s	5	41	Malta	f	19	66	Tel Aviv	c	16	61
Bristol	c	3	37	Helsinki	r	3	37	Miami	f	26	79	Venice	r	8	46
Brussels	sn	-1	31	Innsbruck	c	2	36	Moscow	c	-2	28	Vienna	c	0	32
Budapest	c	0	32	Istanbul	c	7	45	Munich	c	-3	27	Warsaw	s	0	32
Chicago	c	-1	30	Jersey	f	5	41	Naples	r	16	61	Zurich	c	-1	30

Overseas selling prices
Austria, Sch 15; Belgium ...; Canaries, Pts 30; Denmark ...; Finland, Fmk 2.60; France ...; Germany, Dm 2.00; Greece ...; Holland, Dfl 1.75; Italy, Lire ...; Luxembourg, Lfr 20; Madeira ...; Malta, ...; Norway, Kr 4.00; Portugal, Esc 20; Spain, Pts 35; Sweden, Skr 3.75; Switzerland, Sfr 2...; Canada, $1.00; Yugoslavia ...

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r manufacturers join the garage owners in omising a better deal for the motorist

Waymark
g Correspondent

nprehensive new code ice covering the sale, and repair of new condhand cars was ed yesterday. It has awn up by the car turers and garage association with the Fair Trading.

ode, which comes into n February 1, incor- the best existing prac- the motor trade's deal- the public as well as l procedures for and settling disputes.

hn Methven, Director of Fair Trading, said: past 12 months 43,363 ts about the motor re been notified to my s this code begins to all be looking for that drop steadily."

The code is binding on members of the Society of Motor Manufacturers and Traders, representing all British and foreign car manufacturers, and of the Motor Agents' Association and Scottish Motor Trade Association, which claim 85 per cent of the garage trade.

For the first time an independent arbitration procedure will be available for disputes between customer and manufacturer. It supplements a scheme already operated by the garage associations to handle complaints about work done outside the manufacturer's warranty period.

Mr Methven said he was particularly pleased to see the code covering two areas that had brought most complaints about new cars: predelivery inspections and warranties. Manufacturers relying on dealers to carry out inspections on new cars must provide a standard check list, a copy of which should be handed to the customer.

The Code requires that warranties should be transferable to second and subsequent owners and that warranty work should be carried out not just by the garage selling the car but any dealer holding that manufacturer's franchise. Order forms must set out all charges additional to the price of the car, so that the customer knows the true cost of putting the vehicle on the road.

On used cars, the code lays down a procedure for presale inspection according to a set schedule, with the customer notified of the results. Garages will be required to give firm quotations or written estimates for repairs and servicing and to guarantee repairs for a specific milage or time. The code also prohibits misleading advertisements.

Sir William Batty, president of the Society of Motor Manufacturers, said: "Poor communications, in the widest sense, are undoubtedly at the root of a great deal of the frustration which some customers experience. This code, drawn up over 10 months of deliberations, should clarify many of the points of potential conflict."

Mr Methven appealed to the customer to play his part in making the code work by following the manufacturer's instructions on servicing and being clear and explicit when taking a car in for service or repair. He said no code on earth would make a 10-year-old car run like a 1976 model.

Five for trial on charge of kidnapping girl

Five men, accused at Tottenham Magistrates' Court, London, yesterday of kidnapping a Greek-Cypriot girl, aged 18, were all committed in custody for trial at the Central Criminal Court.

Leslie Joseph Foreman, aged 40, a secondhand dealer, of Leighton Road, Kentish Town, was the only one not to apply for bail.

He and Dinos Yiorgalli, aged 31, a hairdresser, of Mackeson Road, Hampstead; Takis Cosma, aged 44, a shopkeeper, of Castle Road, Kentish Town; Nicholas Trowell, aged 19, unemployed, and Jack Jacobs, aged 48, unemployed, both of Caversham Road, Kentish Town, are charged with assaulting Aloi Kaloghiroi and unlawfully and injuriously imprisoning her against her will at Outram Road, Wood Green, on November 6.

Man killed on wires

A man was killed when he fell from a railway bridge on to live overhead wires near Ilford, Essex, yesterday. The accident caused widespread delays and cancellations among services into Liverpool Street station, London.

Sappers save toads

The Royal Engineers have dug a large pond on ranges at Longmoor Camp, Hampshire, so that the natterjack toad can be saved from extinction in southern England.

Scientists seek curb on lead in food

By Hugh Clayton

Stricter curbs on the amount of lead allowed in food were called for yesterday by a committee of scientists appointed by ministers. They decided after an exhaustive study that lead in the British diet was within safety limits, but sought more information on its occurrence.

Their conclusions were supported by experiments on 6,000 food samples including 1,000 shrimps, 1,000 winkles, some lesser spotted dogfish, dandelion coffee and many more familiar components of the diet.

"There is still no convincing evidence that present levels of lead in the diet present a hazard to health", they said. "However, we accept that margins of safety are not as great as could be desired, and that vigilance is required to exclude other sources of lead which could raise lead intake to significant levels."

That was the conclusion of the Food Additives and Contaminants Committee. Other contributions about lead were published yesterday by the Government's working party on the monitoring of foodstuffs for heavy metals and the toxicity subcommittee of the Committee on Medical Aspects of Chemicals in Food and the Environment.

The scientists said that of about a hundred children admitted to hospital in Britain each year with suspected lead poisoning an average of two died. But the excessive lead in those cases had nothing to do with food. Nevertheless lead sometimes entered tinned food from the lining of tins, while game pies and paté might absorb high amounts of lead from shot.

In 1972 a United Nations committee had proposed a provisional tolerable weekly intake of three milligrams of lead for adults. The average British level was less than half that.

The Food Additives and Contaminants Committee said it wanted ministers to enforce a limit of one part in a million for most foods, with a lower limit for tinned baby food. It also wanted an end to the exemption from all limits of fish in which lead occurs naturally.

It advised ministers to cut the maxima for gin, brandy, whisky, beer and cider by more than half to less than a quarter of a part in a million. It wanted the rate for ground spices to be cut from 20 to five parts in a million. It realized that if the limits were too harsh some safe foods would be forced off the market.

It rejected appeals for rules to make food processers state lead contents on labels of tinned foods because such information would frighten shoppers. Although it found that the amount of lead in food was falling generally it wanted extra efforts to cut the amount in tinned foods.

Finally, the scientists said that spraying of apple orchards with lead arsenate to combat codling moth should be discouraged.

The Consumers' Association said it was delighted with the recommendation to cut permitted levels of lead.

Mr Jenkins has doubts on identity documents

By Our Parliamentary Staff

The Home Secretary yesterday promised to consult the police further about compulsory identity cards, but warned MPs on the Prevention of Terrorism (Temporary Provisions) Bill in committee that the police regarded their present powers as appropriate.

He was replying to an amendment moved by Mr Ian Gilmour, opposition spokesman on home affairs, which provided that no person should be admitted to Britain or Northern Ireland without the production of a valid passport or other identification document. He said there was widespread anxiety about the movement of terrorists.

Mr Enoch Powell (Down, South, UUUC) said he and his colleagues supported the intention of the amendment. The present method of surveillance over movement between Northern Ireland, Great Britain and the Irish Republic was unsatisfactory.

Mr Ivan Lawrence (Burton C) gave his support to the proposal.

Mr Jenkins accepted that there had been technical advances in the quality of identity cards which would make them more difficult to forge, but added: "It is one thing to issue foolproof identity cards to a limited number of people whose identity can easily be checked, and another thing to issue 55 million."

The amendment was withdrawn.

vate Bill would give its to babies n with drug damage

Huckerby
Staff

ate member's Bill to rights in law for the child, establishing the in such cases as the de tragedy that there liability for prenatal ill be presented in the by Mr Raymond abour MP for Bir- Northfield.

ter, who came top of on's ballot for private Bills, explained yes- at the proposed legis- uld be along the lines commendations of the nmission's report on to unborn children, s published last year.

arter said his Bill stablish for the first rights in law of an child when that child . There would not be s as a foetus.

ll would provide that ere was a drug mal- or improper manufac- a drug that caused injury that would be for which damages claimed.

rter said other areas ial damage to unborn such as industrial and nuclear waste or would also be in law as at fault if nage an unborn child. cquired by a mother onception could also ed.

ought that perhaps ildren a year were ngenitally malformed of drug malfunction. would make it clear npensation would be through the courts, and thus from any companies involved.

The Bill was necessary as a constant reminder to the drug companies, and to industries that might cause such damage, that they would not be bailed out by the state if they produced products that caused deformed children.

Another private member's Bill announced yesterday will aim to introduce short-tenancy agreements in order to bring more rented accommodation on to the housing market and to establish detailed local authority responsibility for the homeless. The Bill is being presented by Mr David Lane, Conservative MP for Cambridge, who came third in the ballot.

Mr Lane said such accommodation was being withheld at present because of the fears of landlords about rent controls. The Bill would provide accommodation, possibly for quite a short time, to tenants who did not require long-term security.

Mr Lane said his Bill would also seek to establish that among local councils it was the housing authorities that had the statutory responsibility for housing the homeless. There was argument whether housing departments or social services departments were responsible for the homeless, but he thought there was general agreement that it should be the housing departments.

He added that the Government was intending to introduce general policy changes in rent control and homelessness, but he believed there was a strong case for immediate action with his brief, practical measures.

Discrimination 'still keeps young immigrants jobless'

Immigrant teenagers still face discrimination which prevents them from getting jobs, Mr Peter Tansley, of the careers service branch of the Department of Employment, told a conference of careers officers and teachers at Winchester yesterday.

He said: "Young immigrants face passive discrimination. While an employer no longer overtly discriminates, at the end of the day there are young people from ethnic minorities who do not get jobs solely because they come from ethnic minorities.

Mr Ray Hurst, secretary of the Institute of Careers Officers, which organized the conference, said there was hysteria about school-leavers who were illiterate and innumerate.

He criticized a report issued on Monday by the Federation of Personnel Services, which said that many of the 40,000 unemployed leavers were unemployable because they could not read or write. That was not the main reason for their having no jobs.

ing offences for first since 1969

Motoring Correspondent

ing offences in England es fell by 1 per cent last 2,119,364, according to released yesterday by e Office. It was the first such offences since

of causing death or arm fell by 7 per cent, as driving offences by nt and offences of care- ving by 6 per cent. But ons for driving after drink or drugs went up ent and there was a 10 nt increase in vehicle

trates' courts disquali- ,598 drivers, a decrease r cent, and the Crown isqualified 8,020, repre- an increase of 9 per offences relating to the us condition of vehicles, r half concerned defec- es.

Police chief cleared over canteen finances

From Our Correspondent
Nottingham

Mr James Whitehead, Assistant Chief Constable of Nottinghamshire, was cleared yesterday of allegations that he failed to investigate efficiently a complaint concerning the finances of the former Nottingham police canteen.

A report by Mr William Ross, Deputy Chief Constable of Suffolk, also said that there was no evidence of any criminal offences being committed by officers in the Nottinghamshire police social club, which was responsible for the canteen.

Mr Ross was called in after a complaint by Mr J. T. Moore, a prosecuting solicitor for Nottinghamshire Police Authority. He made a complaint relating to the finances of the police canteen at the former headquarters in North Church Street, Nottingham, which went out of existence in August, 1973.

Mr Ross's report was considered by the Nottinghamshire police committee yesterday. They accepted it and decided that no action was required.

der charge sees lawyer

arrington Black, a Leeds , spent 90 minutes at ice station at Newcastle- yme, Staffordshire, yes- with Donald Neilson, 9, who is charged with ing Miss Lesley Whittle this year.

Neilson, a self-employed of Bradford, is due to in court again at Kids- on Friday.

Lifeboat medals

The bronze medal of the Royal National Life-boat Institution has been awarded to Mr Brian Hodgson, of Whitby, and Mr Julian Morris, of Weston-super-Mare, for rescues in which seven people were saved.

Keith Joseph attacks osland 'way to tyranny'

r Political Staff

cies advocated by Mr and in his recent pamphlet cialism would create an helmingly powerful state ucracy, deciding how the e of Britain should live, eith Joseph, Conservative sman on policy, said in n yesterday.

said the theme was that ism was a set of values ssentially "an overriding rn for the poor", "a in equality" and "strict control of the environ- ". He accused Mr Crosland displaying a destructive sion".

e cure for poverty rested roducing goods and foster- roductive employment, not ossessive redistribution that uraged production, invest- and savings.

tributing income according eed, as advocated by Mr land, would establish a corps of supervisors whom le would have to satisfy they "needed" something re they could have it. Sir described that as e a recipe for tyranny as ever concocted". Labour had no monopoly of concern for the environment, but the issue was about controlling how people used the environment.

There was a danger of creating an overwhelmingly powerful state bureaucracy, which necessarily destroyed all means of controlling it or of even expressing opposition to it.

Sir Keith said Mr Crosland used the term "equality" with great abandon, but said that he did not mean equality of opportunity. He disparaged a society that applauded meritorius service by calling it a "meritocracy", another example of ugly cant.

Mr Timothy Raison, Conservative spokesman on the environment, said in London yesterday that the Government's housing strategy was in ruins and should be replaced by measures to allow council tenants to buy their homes and to improve the supply of rented accommodation.

Tenants should be given a legal right to buy "on generous terms". The politically motivated ban on sale of houses in new towns should be ended immediately.

HOME NEWS

Plan to ensure that computers have a regard for privacy

By Peter Evans
Home Affairs Correspondent

People should in many cases be able to see information held about them in computers, check it and have it corrected, a White Paper said yesterday.

It proposes legislation to set up a statutory Data Protection Authority with powers to ensure that computers are used with a proper regard for privacy and safeguards for the personal information they contain.

The White Paper says: "The time has come when those who use computers to handle personal information, however responsible they are, can no longer remain the sole judges of whether their own systems adequately safeguard privacy. The safeguards must become subject to independent scrutiny."

The legislation will also set standards governing the use of computers that handle personal information. As the legislation will take time to enact the Government is appointing at once a non-statutory Data Protection Committee.

That will prepare the way for the setting up of the permanent machinery, operated by the Data Protection Authority, which will include computer experts and representatives of the public and will cover computers used by both public and private organizations.

The interim protection committee will be asked to advise the Government about the implications of two possible roles for the proposed permanent authority, so that a decision can be made. The two possibilities are given in the report as follows:

1 A registration and licensing agency, able to enforce registration of relevant details of the personal information systems within its jurisdiction, to prescribe safeguards for them, and to ensure (as a condition of the grant and renewal of licences which would be necessary before the systems could be maintained and operated) that those safeguards are instituted and observed.

2 A body with power to call for information on what systems are being operated, by whom, how, and subject to what safeguards; to make and publicize its own recommendations about those systems; to investigate complaints and suspected malpractices; and to publish its findings.

The Government's objective will be to make the authority financially self-supporting. The report suggests it might, for example, recoup costs by levying fees and charges.

The report says the existence and purpose of information systems holding personal details in computers should be publicly known, as well as the categories of data they handle, what they do with data, and who is likely to have access to it.

The information should not be used for a purpose other than the one for which it was given or obtained, without either the consent of the person whom it concerns, or some other authorized justification. The subject should be able to find out what has been done with the information and to whom it has been given. Information should be kept only for as long as needed.

The White Paper says there would need to be exemption of computerized information systems kept for national security and some, at least, of those used by the police against crime.

Computers and Privacy (Command 6353, Stationery Office, 28p).
Computers: Safeguards for Privacy (Command 6354, Stationery Office, 55p).

Sponsors of arts to be mentioned by BBC

By Kenneth Gosling

Commercial and industrial sponsors of artistic events broadcast by the BBC will in future have their names mentioned in the programme credits.

That important change in BBC policy comes after criticism of the practice of mentioning sports sponsors, but not referring to those supporting opera and concert performances. It is expected to increase the attractiveness of such sponsorship, on which at least £500,000 a year is spent.

It was welcomed by the Department of Education and Science, which has consistently encouraged commerce and industry to give more support to the arts. Some of those that do are Commercial Union, the Midland Bank, Imperial Tobacco, Sun Life, Pernod, and Marks and Spencer. Orchestral tours overseas are being supported financially against loss. Even the opening of the London Symphony Orchestra's new offices this week had the support of whisky, tobacco and food companies.

A document restating BBC policy and practice on the subject carries a foreword by Sir Charles Curran, the director-general, who says the principles outlined in 1955 still hold good. He continues:

Nevertheless, in the intervening years there has been a marked increase in the practice of commercial sponsorship of events regularly broadcast by the BBC, considerable expansion of consumer-advice programmes on both television and radio, the introduction of colour television and local radio, and some relaxation of previous inhibitions about the use of trade names and the names of firms.

Accordingly, I believe that the time has come for a restatement of the BBC's policy and practice which will take account of the changed circumstances and which it will be possible to interpret in every part of the BBC's output, television, radio, including external services and local radio, in such a way that what is heard and seen in our programmes reflects a response which is not only consistent but can be seen to be consistent by our audiences and by the people with whom we deal in the course of programme-making.

The BBC will in future be willing to broadcast, with appropriate acknowledgments, artistic events supported by commercial sponsors, provided coverage of a particular event is "in the best interests of viewers or listeners and that the event itself would probably not take place without having been sponsored".

The decision has taken into [illegible] of public acceptance [illegible] While permanent advertising around the perimeter of a football ground has become accepted, advertising of this kind, the BBC's notes to staff say, would look out of place at a concert in the Albert Hall.

Any visual display by the sponsor at such an event would have to be less obtrusive in character. Agreement on a limited number of verbal and printed credits would follow the pattern agreed for other events.

It will continue to be the responsibility of programme editors or producers to see that "the somewhat tenuous dividing line" between what is of genuine interest and what is simply a commercial "plug" is not overstepped.

Festive kick-off: Members of Queen's Park Rangers football team, in new colours, handed gifts to young patients in the Hammersmith and Central Middlesex hospitals yesterday. With them is Andrew Harker, aged 17, who spent the summer collecting toys for sick children.

Mr Grimond calls for fewer *bureaucrats*

By Our Political Staff

The implementation of the proposals for devolution should be accompanied by a big reduction in the country's bureaucracy, Mr Grimond, the former Liberal leader, said in a speech to the Selsdon Group yesterday.

Mr Grimond, MP for Orkney and Shetland, called for a reduction of a quarter in the number of civil servants in central and local government, a ruthless pruning of boards and committees and a sharp reduction in the foreign service.

He said they must not repeat the mistakes of Westminster when assemblies were created at Edinburgh and Cardiff, just adding "a fifth wheel to the overburdened and creaking coach of government".

Mr Grimond argued that there should be a small United Kingdom organization to deal with economic planning, defence and foreign affairs, and a reduction in the number of MPs at Westminster for English purposes.

He also thought the nationalized industries should be broken into Scottish, Welsh and regional organizations, with the introduction of the market [illegible] both by way of competition and by the raising of capital.

He further suggested the removal of housing from the local authorities and the provision of central finance to local government in the shape of block grants which could be spent over any period and for any purpose.

He said the productive workers in the United Kingdom were overburdened by the weight of non-productive bureaucracies. "It is certainly necessary that we strike off the accumulated barnacles which impede our progress, the innumerable committees and boards, the gross overmanning of the nationalized sector, and the constant growth in the number of bureaucracies."

Liquidator closes last chapter in story of 'Scottish Daily News'

From Ronald Faux
Glasgow

The final chapter in the story of the *Scottish Daily News* closed yesterday when the newspaper's creditors met in Glasgow to be told that financially the enterprise had been a disaster. It had run up estimated total liabilities of £2.5m against an estimated realizable value of £1.2m.

Mr James Whitton, the official liquidator, said the workers cooperative newspaper ceased publication after 162 issues, owing shareholders £1,922,384 and losing £45,000 a week.

An inspection committee of five was appointed to wind up the affairs of the newspaper. It will include Mr Tom Band of the Department of Industry in Glasgow, Mr Ian McColl, former editor of the *Daily Express* and now chairman of Beaverbrook Newspapers, Scotland, and Mr Allstair Blythe, chairman of the former works council of the *Scottish Daily News*.

The Government, through Mr Wedgwood Benn, when he was Secretary of State for Industry, invested £1.2m in the project, and Beaverbrook Newspapers as a partly secured creditor, is owed £225,000.

Mr Whitton said nothing was left to meet the losses of ordinary creditors, who were owed £1,291,635. He said 395 employees had each taken 100 employee shares at £1, fully paid. Others had taken out £1 ordinary shares in amounts ranging from £25 to £2,000.

Mr Robert Maxwell, the publisher and former chief executive of the newspaper, had invested £114,000. He is also listed as an ordinary creditor for £3,100.

Mr Whitton outlined the story of the *Scottish Daily News* from the time of its launching on May 5 on the former Beaverbrook presses in Albion Street, Glasgow. Throughout the first week circulation averaged 280,000 but a month later it had fallen to 106,000.

Advertising revenue amounted to 38 per cent of the budget but over the first month of the paper's operation the loss ran at £24,000 a week.

By July 26 the accumulated trading loss had reached £244,000 and the cash had fallen to £350,000. On August 18 the paper became a tabloid. The price was maintained at 6p, advertising rates were cut and a £50,000 promotion campaign was launched. "More than 26 million copies were printed for distribution throughout Scotland. In financial terms the enterprise was a disaster", Mr Whitton said.

Mr Whitton described the various attempts to save the newspaper and the unsuccessful talks with government officials, trade unions and other parties to find a buyer. Mr Whitton had no information to give to the meeting about a buyer either for the newspaper or the building and plant.

Preferred creditors included the Inland Revenue, PAYE (owed £70,314); Department of Health and Social Security (£47,287); Strathclyde Regional Council (£51,570 for rates); and former employers in respect of holiday pay (£26,536).

Manager at dockyard convicted of theft

From Our Correspondent
Winchester

Henry Fulthorpe, general manager of Portsmouth naval dockyard, was convicted at Winchester Crown Court yesterday of stealing Ministry of Defence property worth £575 to furnish his new £12,500 flat.

Mr Fulthorpe, aged 59, of Granada Road, Southsea, was convicted on six theft charges and acquitted of three by the [illegible] He [illegible] fined £600 and costs and £1,000 prosecution costs.

Mr Justice Thesiger told him: "You were a man employed at £12,000 a year and that, looking at the matter quite cynically, is partly paid for seeing that persons in your position behaved honestly and did not give way to the temptation to obtain fringe benefits."

Two admirals who gave evidence described Mr Fulthorpe as "the greatest friend the Navy had ever had". He had less than three weeks to go before retirement. The court was told that his pension and gratuity would not be affected by his conviction.

Mr Fulthorpe, who entertained senior officers, moved into his flat in 1973 after his official residence in the dockyard had been broken into, the court was told. When he moved into the flat dockyard workers helped to make it shipshape. Mr Fulthorpe ordered his chief joiner to fit made-to-measure carpet in four rooms.

As Mr Fulthorpe walked from the court yesterday the Ministry of Defence was preparing to reduce his gratuity by £575 "to cover the loss of public funds".

Prisoner recaptured

Robert Anthony Fisher, aged 23, who escaped from a working party at Ranby jail, near Retford, Nottinghamshire, yesterday, was recaptured 40 minutes later after a chase across a golf course.

Teacher pay scales for arbitrators

Three arbitrators appointed by the Advisory Conciliation and Arbitration Service have recommended that educational advisers and psychologists should be paid on the same salary scales as teachers. They rejected suggestions that the pay of youth service officers and school meal organizers should be linked similarly.

The arbitration board, under Mr David Karmel, QC, was appointed after the Soulbury committee, which is responsible for deciding salaries for those [illegible] authorities' panel on the committee had refused to accept that the principles of the Houghton report on teachers' pay should apply.

Mr Fred Jarvis, secretary of the officers' panel on the Soulbury committee, yesterday warmly welcomed the fact that the arbitrators had in the main supported their case. He said he was disappointed that they had not agreed to apply the Houghton principles to the pay of youth service officers and school meals organizers.

M4 fog prosecutions

Eighteen motorists are to be prosecuted for dangerous driving in thick fog on the M4, Thames Valley Police said

Week's remand for vicar and housekeeper

A vicar and his housekeeper appeared before magistrates at Torbay, Devon, yesterday, charged with bank robbery and burglary. Both were remanded for seven days.

The Rev Stephen Care, aged 32, a bachelor, Vicar of St Chad's, Whitleigh Green, Plymouth, did not ask for bail and was remanded in custody. Mrs Stella Bunting, aged 59, his housekeeper, who is a widow, was given bail in £200.

They were alleged to have robbed Clifford Platt, manager of Lloyds Bank at Southway, Plymouth, of £1,775 on August 1. They were also charged with the burglary of £1,316 of antiques, the property of Patrick O'Brien, from Greylands School, Paignton, on October 10. Their addresses were both given as St Chad's Vicarage.

The items listed in the school burglary charge included silver candlesticks, salt and pepper cellars, napkin rings, a sugar bowl and a teapot. Other items alleged to have been stolen included a porcelain figure, a clock, a claret jug and decanter, and a Victorian christening mug.

Mr Care was discharged from hospital on Monday. He had been taken there complaining of severe chest pain after being questioned by the police.

Dustmen as lottery ticket salesmen

By Our Local Government Correspondent

Councils running local lotteries could use rent and rate collectors, turf accountants or even dustmen to sell tickets, a conference was told in London yesterday.

Asking councils how they were going to operate their lotteries, Mr W. J. Stephens, secretary of the Gaming Board, said: "When the dustmen call for their Christmas box are they going to offer lottery tickets in exchange?"

The conference was organized by the Rating and Valuation Association to discuss the implementation of the Local Lotteries Act, 1975, which allows local authorities to run lotteries of limited value with prizes up to £2,000.

About 120 delegates from 80 local authorities attended to find out, as Mr George Gurney, president of the RVA, said, whether "the Act is going to be a help to harassed ratepayers and can be implemented without too much bureaucracy".

Mr Stephens said that if a council sought to make £180,000 a year it would have to million 10p tickets. Tl with the local authorit tions, was devising schemes, but he added board would find it ir to cope with the work vising them if all decided to run lotterie

He asked whether would be sold in kiosk the Continent, in whi councils would have to planning permission fo

Although the Act bec in August regulations awaited.

Plea for swifter aid to homeless

Six housing charities yesterday urged the Government to speed its proposed legislation to give housing authorities a statutory duty to accommodate homeless people (our Social Services Correspondent writes).

Replies by local authorities to the Government's questionnaire "confirm our own findings that the homeless are suffering because of demarcation disputes between authorities as well as blatant refusal in some cases to follow government guidance", a joint statement said.

'Pressure' on council chi

By Our Local Government Correspondent

The Association of Local Authority Chief Executives has intervened in the case of Mr Nicholas Walsh, Chief executive of Rother District Council, Sussex, who faces redundancy. The council's policy and resources committee voted on Monday to abolish his post and that of his personal assistant and two secretaries to save about £20,000 a year.

Mr F. W. Ward, secretary of the association, said yesterday that the national joint committee for chief executives had been asked to intervene on Mr Walsh's behalf. The association wants a full report on sons for Mr Walsh's dismissal. Mr Frank chairman of the pol resources committee, ted: "We are happy chief executive's work done by other chief o

Mr Ward said there dications that Mr W faced political pressur the reorganization government in 1973 executives have been missed or have resi avoid dismissal. Mr W "It is worrying that cils become more polit executives are comin increasing pressure."

One-parent families face hard Christmas

By Our Social Services Correspondent

Darren Houlahan, aged seven, will be eating sausages for his Christmas dinner. His presents will include secondhand football boots, a football set bought at a jumble sale and a toy lorry, but not the bicycle he wants.

He is one of four sons whom Mrs Jasmin Houlahan, a divorced woman, is bringing up on supplementary benefits and £3 a week from a cleaning job. Mrs Houlahan is one of hundreds of mothers taking part in Saturday's national "day of action" to draw attention to the Christmas plight of one-parent families.

She said yesterday: "Christmas is hell. The children are home for three weeks and I have to provide heat and meals for five."

Mrs Houlahan was speaking at a meeting in London organized by Gingerbread, a poverty pressure group, to introduce *Christmas Without*, a survey of the kind of Christmas most one-parent families face. The survey covered 68 parents with 156 children and the findings were similar to those of the Finer report on one-parent families.

The families averaged £33 a week, less than half average male earnings. They had to choose between food and presents, depending on relatives, or running into debt. One mother told Gingerbread that she was considering putting her children into care "to make sure they have a real Christmas dinner".

Gingerbread members will send MPs a "black" Christmas card showing the "Ghost of Christmas future" and asking: "What are you going to do about the Finer report?"

Christmas Without (Gingerbread, 9 Poland Street, London W1V 3DG, 10p).

Ratings leaving RN double in five years

By Our Defence Correspondent

The number of sailors and marines who left before finishing their engagement more than doubled in five years, from 847 in 1969 to 2,158 last year, an increase of 1,311.

Figures for the other Services showed a similar, if less dramatic, rise. The Army's went up by 733, from 5,116 to 5,849, and the RAF's by 237, from 951 to 1,188.

The total for the Armed Forces increased by almost a third, from 6,914 to 9,195, but the Ministry of Defence expects this year's figures to be lower.

The increase is largely attributed to the Donaldson committee's recommendations, adopted by the Government in late 1970, which made it easier for boy entrants and young adults to leave the forces, instead of committing themselves at the age of 15 to long terms of service which they might later regret.

The Armed Forces recognized that that would mean an increase in the "wastage" rates, although they largely accepted the need to reform an archaic system.

The Royal Navy, however, relying on boy entrants for about 70 per cent of recruitment, was given until 1977 to bring its system progressively into line with those of the other two Services.

In fact, the Army and RAF reported a decline in the number of men seeking voluntary discharge in the first two or three years after the Donaldson report had been adopted.

That may have been because of civilian unemployment, which increased between 1969 and 1972, encouraging Servicemen to settle for the security of their existing jobs. With unemployment once more soaring, that may be one reason why present indications point to a lower total for the voluntary discharge rate in 1975.

Science report

Meteorology: More accurate forecasts

Weather forecasting should become more accurate as a result of a means of measuring atmospheric pressure from satellites. The techniques are being developed by scientists at Heriot-Watt University, Edinburgh, and will produce much more detailed pictures on weather maps of such familiar features as troughs of high pressure.

The Physics Department at Heriot-Watt has been extensively involved in measuring the temperature at various levels in the atmosphere with equipment on the Nimbus meteorological research satellites. Now it is collaborating with the Appleton Laboratory, Slough, to extend the satellite equipment to measure pressure using microwaves reflected from the sea surface.

If equipment of that kind was installed on several satellites it would be possible to draw a pressure map on a grid ranging from 100 x 1,000 km at the equator to 100 x 10 km near the poles. Meteorologists would find that particularly useful in the North Atlantic, where they have to rely on pressure data from a handful of weatherships and reports from other ships in the area. In the southern hemisphere measurements at sea are relatively few and far between.

The planned device first launches microwaves of several different frequencies in the vicinity of 50 gigahertz downwards towards the Earth, and the measures the intensity of the radiation received back at the satellite after reflection at the sea surface. The amount absorbed as the microwaves pass through the atmosphere can be related to the pressure at sea level because the absorption of microwaves at those frequencies depends in a predictable way on the amount of oxygen in the line of sight.

The new instrumentation still has to be tested fully in the laboratory and in aircraft before being committed to a satellite. Although it may be five years before it is fully operational, the much fuller picture it will provide should considerably improve the accuracy with which the weather can be predicted.

By Nature-Times News Service

© Nature-Times News Service, 1975.

Commandments no longer kept, judge says

From Our Correspondent
Bletchley

Judge Lymbery, QC, the judge in the "village awash" with crime case, said yesterday that it was a sad fact that many people no longer obeyed the Ten Commandments. He sentenced two men, the last of 11 who have appeared before him at Bedford Crown Court on charges of receiving and handling stolen property.

Gordon Nicholson, aged 42, a company director, of The Gables, Swineshead, Bedfordshire, was given a nine-month suspended prison sentence and fined £250 after admitting two charges of handling stolen property.

Roger Cave, aged 38, a carpenter, of Swineshead, was fined £50 after pleading guilty to two charges of assisting Mr Nicholson to dispose of stolen goods.

Car insurance rates rising

About 160,000 motorists with the Excess Insurance Group face two increases in premiums next year. Rates will rise by 17.5 per cent in January and a further 11 per cent increase is planned in July.

The group estimates that car premiums for the industry as a whole will have to be increased by 22.5 per cent in the next year.

Law Report December 16 1975 Queen's Bench D

Breath test required for wrong reason valid

Atkinson v Walker

Before Lord Widgery, Lord Chief Justice, Mr Justice Park and Mr Justice May

A constable who gave a motorist an invalid reason for requiring him to provide a breath test specimen which he refused, nevertheless validly arrested him for failing to provide it, because there was an alternative and valid reason for the requirement.

The Divisional Court dismissed an appeal by Reginald Edward Atkinson from conviction by Cumbria justices at Windermere of driving with 177 milligrammes of alcohol in 100 millilitres of blood. Their Lordships certified that a point of law of general public importance was involved in their decision, namely. "If, on the face of it, a constable has two alternative grounds for requiring a breath test [under section 8(1) of the Road Traffic Act, 1972] but unknown to him the one on which he relies is not available to him, is he still able to rely on the other ground even though he did not require the breath test on that ground?"

In refusing leave to appeal to the House of Lords the Lord Chief Justice said that the policy in recent months in such cases had been to certify but not to give leave so that their Lordships' House could decide how many breathalyser cases they thought they could usefully deal with.

Section 8(1) provides: "A constable in uniform may require any person driving . . . a motor vehicle on a road . . . to provide a specimen of breath for a breath test . . . if the constable has reasonable cause—(a) to suspect him of having alcohol in his body, or (b) to suspect him of having committed a traffic offence while the vehicle was in motion. . . ."

Mr Arthur Stuttard for the defendant; Mr Geoffrey Davey for the police prosecutor. Robert Waller.

The LORD CHIEF JUSTICE said that, soon after midnight on January 15 last, the defendant drove through temporary traffic lights outside the police station at Windermere when they were at red. A constable set off in pursuit. The defendant, unaware that he was being followed, stopped outside his home, switched off the ignition and lights, and withdrew the ignition key. The constable went up to the defendant, who got out of his vehicle. The constable's first words were that the defendant had gone through the red light, but he smelt alcohol on the defendant's breath and required provision of a breath test specimen because he had reasonable cause to believe that the defendant had alcohol in his body. The constable said nothing about the specimen being required because of suspecting the commission of a moving traffic offence, in passing the light at red.

The defendant said: "I'm not giving nowt." He maintained his refusal and was arrested. Subsequently he provided a laboratory test specimen, which revealed on analysis 177 milligrammes of alcohol in 100 millilitres of blood.

The argument was that, as the defendant had finished his journey, he was no longer a "person driving". The justices found that he had ceased to be driving, and the prosecutor could not rely on the assumption that the breath test had been required under section 8(1)(a) because the present state of the authorities required that the suspicion of alcohol had to be formed by the constable while the suspect was still driving.

The justices had found that the defendant had ceased to be a person driving when the constable formed his suspicion of alcohol. The constable did not know that he could not validly require a breath test under section 8(1)(a); he did have a valid reason for requiring a breath test under section 8(1)(b). The reason in his own mind and as given to the defendant for requiring the breath test was that specified in section 8(1)(a). The reasonableness or otherwise of the defendant's refusal to give a breath test did not affect the constable's right to arrest under section 8(5)—for failing to provide the breath specimen. There was no requirement in law that the constable should inform the defendant, and still less inform him correctly, of the precise section or subsection under which he was requiring a breath test. The circumstances prescribed in section 8(1)(b) did exist, and the requirement of a breath test and the arrest were, therefore lawful.

His Lordship said that, on that reasoning, the justices concluded that the offence had been proved. In their Lordships' court, somewhat surprisingly he confessed, they found, for the first time, that there were still one or two matters affecting breath specimens which did not seem to have been fully explored in the judgments given in earlier cases.

The problem in the present instance was: If, on the face of it, the constable had two alternative grounds for calling for a breath test but, unknown to him, one of them was in fact not available to him, was a breath test validly required when the requirement for it was, in terms, based on the ground which was unavailable?

The authorities showed that, when a constable asked for a breath test specimen under section 8, he was not required to state whether he was asking for it under section 8(1)(a) or under section 8(1)(b). What was essential was that he should require a specimen, making it clear to the suspect that a specimen had to be given. It was unnecessary to indicate section or describe th stances or the facts on requirement was based.

Accordingly, if a cons no reason for demandin test specimen, a failure with the requirement w offence under the Act. the wrong reason it w rise to no prejudice to provided that there was native reason.

R v Burdekin ([1975] 348) seemed to involve point and was addition reasons which, mistaken led his Lordship to that the appeal should missed.

Mr Justice Park and May agreed.

An order was made for of the prosecutor's co central funds.

When counsel was un form the court of the the defendant's legal aid tion, the Lord Chief J that it was important represent legally aid to discover the contrib to be able to inform th the absence of such proper consideration c given to the question w defendant should be pay costs.

Solicitors: Beachcroft Isaacs for Hayton & Ambleside. Cartwright, ham for Mr Brian W. D dermere.

Scolded stabbed teacher in the back

From Our Correspon
Liverpool

Reprimanded for minutes late for his class, a boy aged 14, Liverpool, stabbed th the back with a tab was stated at Liver Court yesterday.

On the direction of May the jury acquit of wounding the t intent. The boy th guilty to unlawful and the judge, saying a spell of disciplin to a detention centr months.

It was stated th had been expelled school.

Mr John Gilchri prosecution, said the teacher was showi boy how to use a tab a blow in the back a knife sticking in

The teacher, in cr ation, agreed that he the boy and thrust i a wall and threaten would "do him".

Arbitration sought over pay appeals

By Our Labour Staff

The National a Government Officer (Nalgo) is seeki tion over a threat by to freeze the individ appeal over pay 13,000 clerical and workers in universiti

According to Nalg ployers are refusing ment a clause in national agreement individuals to appeal against what they co fair gradings on the scales. They range five grades, from £4,116. At least 8 await hearings.

Mr David Stirra union's national of universities, said "The right to appeal a level is crucial. The seem to want a hotcl appeal systems based ent universities. But w there be a different s a secretary in Newc one in Oxford?"

Mr Peart rejects plan to phase out British beef subsidies by May

Michael Hornsby
…els, Dec 16

… EEC proposal to phase …ritain's special system of … market support by mid- … of next year was de…ed here today as "com…y unacceptable" by Mr Peart, Britain's Minister …griculture. If approved, it … wipe out one of the main …sions won during the re…ations of Community …ership.

…king at a meeting of EEC …lture ministers in Brus… Mr Peart said that he was …ished and disappointed" …e British system of vari… premiums, which safe… farmers' incomes by … subsidies rather than by …teed prices, was "still … misunderstood and critic…

… European Commission's …al, which was announced …eek as part of the farm … package for the 1976-77 …ar, would require Britain … over to the EEC's full …ntion system, whereby … bought up and put into …orage when market prices …low a given level.

…ently, the EEC's "moun… of surplus beef stand at … tons.

… estimated that together … proposed 8 per cent in… in the intervention price …ef and the next transi… move by Britain towards …ent with EEC prices, the …g-out of Britain's beef … would raise the price of … as much as 50 per cent. … Peart said that the sub… for British beef producers … an essential safety net". …rden on the Community … of operating the British … in 1975-76 had amounted …ghly £45m, whereas the …ntion system would have …etween £80m and £100m. …e had been no distortion …petition in the EEC as …t of Britain's retention of …arate beef regime, Mr …claimed. There had been …er market which had benefited Ireland and some other member states, and in addition beef had "been available to consumers at reasonable prices instead of being stockpiled and degraded".

Replying, Mr Pierre Lardinois, the EEC Commissioner responsible for agriculture, accepted that the variable premium had shown good results in Britain, but he argued that the "market situation (ie, higher prices) no longer justifies an exception to Common Market rules in one country". This view was supported by the Danish minister.

Mr Peart also demanded a larger Community contribution to the EEC's consumer subsidy on butter, which he described as "a particularly cost-effective method of sustaining demand". His remarks reflected the Government's desire to offset the sharp rise in the butter intervention price next March arising from the British transition to the full EEC level by 1978.

Apart from beef, the most contentious element in Mr Lardinois's price package was the proposal to limit price increases for dairy producers to 2 per cent in the spring, with a second rise of 4.5 per cent in the autumn. Mr Mark Clinton, the Irish minister, who represents large dairy interests, said he found it "difficult to speak calmly" about this proposal.

M Christian Bonnet, his French colleague, claimed that the actual price increase for dairy producers in his country would work out over the year at no more than 2.6 per cent, because of a linked proposal to abolish French compensatory border taxes. Such an offer was "absolutely unpresentable", M Bonnet declared.

There was general understanding for the proposals for disposing of some 800,000 tons of surplus skimmed milk powder. But ministers were worried about the implications of subsidizing the compulsory use of skimmed milk powder in the manufacture of compound animal feed. It was pointed out that this would put up the cost of feed to pig and poultry producers.

President Giscard d'Estaing at the opening of the conference yesterday morning.

Dr Kissinger makes plea on oil prices

Continued from page 1

between $6 and $8 a barrel as part of a package of measures.

Although Dr Kissinger studiously avoided referring to the IEA he did point out the role which an international energy institute could play in finding ways of using energy sources more efficiently.

"We see the institute as a first bridge between the massive effort the industrialized countries have now launched to develop alternative sources of energy and the effort which the developing countries must now undertake."

Both developed and oil-producing countries would cooperate to use energy more efficiently, to increase their own production and to improve allocation and distribution of existing resources.

Most of the developing countries and the oil producers will speak tomorrow, and from their reaction to Dr Kissinger's speech and from the prepared statements which they make it will be possible to see whether this conference has got off to a constructive start.

Later this week, probably on Thursday, the session will end with the establishment of four specialist commissions, each with 15 participants.

116 Italian kidnaps in three years

From Our Own Correspondent
Rome, Dec 16

Some 116 people are known to have been kidnapped in Italy in the past three years. It is estimated that at least 80,000m lire (£56m) has been collected in ransoms.

In two new cases police were searching today for a medical student, whose family has modest means, and a businessman, both believed to have been kidnapped.

Of the 116 victims, nine have not been returned to their families. In a period of 40 days this year, 12 people were kidnapped—the total for the whole of 1960.

The Government's proposals for dealing with kidnapping have hardly stimulated confidence. These include the freezing of bank accounts and other assets of families of victims and the threat to take proceedings against families that establish their own contacts with kidnappers.

This might discourage families from reporting kidnappings. It is already widely supposed that many kidnappings are not reported. It is said that in both Milan and Rome there have been cases of children seized while playing in public parks and immediately brought back when the mother has produced a sum of money immediately available to her.

Between these two extremes of huge ransoms and small ones there are said to be others, substantial but still comparatively modest, paid without publicity.

One effect apart from the demand for private bodyguards is an increase in anti-kidnapping insurance policies and a reduction in premiums.

Technically, it is illegal for Italian companies to provide insurance against kidnappings. Arrangements are apparently made on the London insurance market. According to estimates published today, the London market is collecting about £35m a year on kidnapping premiums.

…e urged to …ede to wild convention

…ges, Switzerland, Dec 16. …ce Bernhard of the …lands appealed to the …ean Community today to …ent the international …tion restricting trade in …gered wild animals.

… president of the World …fe Fund, the Prince re… the heads of state of the …hat none of them have so …ceded to the convention, … came into force on …

…th each day's delay in …on to the convention by …untries of the EEC, many … are drawing nearer to …tion and the world is …ing that much poorer", …id in identical letters …sed to EEC leaders.

… convention places strict …ls on trade in species like …eopard, jaguar, cheetah, gorilla, orang utan and great whales.—UPI.

'Tiny minority' in attempt to upset conscripts

From Our Own Correspondent
Paris, Dec 16

Only a "tiny minority" was engaged in trying to demoralize conscripts in the French Army, General Marcel Bigeard, the Secretary of State for Defence, declared today. He was being questioned about the proceedings involving more than 40 soldiers and civilians now accused before the state security court.

General Bigeard estimated that only some 600 conscripts belonged to the 50 or so "soldiers' committees" which the Government is now rooting out. The general said it was "undeniable" that some members of the socialist Confédération Française Démocratique du Travail were involved, instigating the formation of such committees.

Cautious greeting for first hint of Spanish reform

From Our Correspondent
Madrid, Dec 16

Opposition groups gave a guarded welcome today to see the Government's proposals for democratic reforms. A wait-and-see attitude is being adopted, but there are signs that the Government has begun to carry out the spirit if not the letter of its programme.

Señor Marcelino Camacho, leader of the Workers' Commissions, the illegal trade union movement, was allowed to speak last night in Barcelona about trade unionism and politics, something which would have been unheard of in the recent past. He said: "We are convinced that we are now approaching freedom."

Also near Barcelona, police allowed over 3,000 people to demonstrate outside the Montserrat Abbey calling for an amnesty. Previously these demonstrations have been broken up. Father Louis Xirinachs, a Catalan priest, is on hunger strike inside the abbey with six other people to demand an amnesty.

Another pointer in the direction of liberalism came when Señor Manuel Fraga Iribarne, the Interior Minister, dined with Professor Enrico Tierno Galván, the Socialist lawyer and leader of the Popular Socialist Party.

The evening newspaper *Informaciones* asked: "Is the thaw beginning?" Professor Tierno Galván said of the Government's proposals: "For me this is the first positive act since the death of Franco. . . . If the Government can follow the line set out in its programme and do it quickly then we can arrive at a harmony among all people. But I hope it does not fall into the danger of militant anti-communism."

Señor Carlos Zayas, a spokesman for the mainstream Socialist Party, was not so forthcoming in praise. He said: "There is nothing that has not been expected. Up to now no fundamental decision has shown the desire to dismantle the institutions of the dictatorship. We are very sceptical. . . . There is still no amnesty, no political parties, no free trade unions."

Moluccans renew contact with mediator

From Sue Masterman
The Hague, Dec 16

The six Moluccan gunmen who have been holding 25 hostages in the Indonesian Consulate in Amsterdam for 13 days have been in contact with a mediator for the first time since Friday.

The Rev Semual Metiari, a Moluccan clergyman, spent a little less than two hours in the consulate this afternoon. He returned carrying a piece of paper. After a short discussion with the Amsterdam authorities he agreed to come back tomorrow for further talks.

Mediation attempts have been held up by friction between Mr Metiari and the Cabinet ministers at the crisis control centre in The Hague, who formulate the strategy for handling the siege. Mr Metiari refuses to follow their guidlines.

He feels that the Dutch could do more to help him persuade to the gunmen that their siege has not been in vain. The Dutch and Indonesian governments still insist that no political concessions will be made.

Mr Andreas van Agt, the Dutch Minister of Justice, has rejected some of the criticism levelled by some of the hostages freed on Sunday from the hijacked train after a 13-day ordeal.

Some complained that the authorities failed to provide simple facilities, such as cutlery, clean underwear and disinfectant, which would have helped to raise their morale. Nor were they allowed to influence the decisions on how the hijacking should be handled.

Others claim that the authorities have not done enough to help them after their release.

"All I've seen so far is a basket of fruit with the compliments of the railways", said Mr Hans Prins, a biologist, who gave those on the train medical aid. "As far as I am concerned the Government made a mess of it. At least two of the hostages were killed need not have died."

…uropean MPs shrink …om budget clash

… David Cross
…ourg, Dec 16

…spite of protests from the …unists over the persimony …EC member governments, …ast majority of members … European Parliament are …s to avoid a confrontation …ext year's Community ex…ture.

…s emerged clearly from a … debate in Strasbourg to…n the contents of the 1976 Budget, which now stands …ne 7,560m units of account …t £3,150m) after a recent …ng session at the hands of …ters responsible for …tary policy.

…e Parliament had originally …l that the ministers would …ome £195m to next year's …tions of funds to boost the …unity's regional, social, …rch and development aid …s. But this figure was …ed to an increase of some …m on the Council of …sters' preliminary draft.

…der Community procedure …riginal draft is submitted …he European Commission and then passed to member governments, and the European Parliament in turn for amendments to be made. Most of the final decision remains with the member governments, but the Parliament is gardually winning enhanced budgetary powers.

When the final vote is taken by the Parliament on Thursday, MPs are likely to increase the ministers' final draft by a mere £6.5m. This would be used principally to supplement expenditure on the social fund and on aid to Commonwealth developing countries like India and Pakistan.

During today's debate Signor Fazio Fabbrini, an Italian Communist, accused member governments of sacrificing social, regional and research programmes and thereby jeopardizing employment. He received some support from Lord Bruce of Donington, the British Labour peer, who called on the assembly to express their dismay at the cuts.

Mr Erhard Jakobsen, a Danish Conservative, speaking for the group, supported the increase of £6.5m.

Seat for key commander

Lisbon, Dec 16.—Brigadier Pires Veloso, the northern military commander who played a key role in the defeat of the abortive left-wing revolt last month, was today appointed to the Supreme Revolutionary Council.

He was the only regional commander without a seat on the Council.

A statement issued at the end of a 10-hour Council meeting also named Major Victor Alves, the Minister of Education, as a new member. Major Alves, one of a group of nine moderate officers, had been dropped from the council in a reshuffle in September.

The Council said that it would open contacts tomorrow with the seven political parties which signed a constitutional pact with the military before the election last April. The statement named a five-man commission to revise the pact, which put civilians under military power for the next three to five years.

The Council stated, however, that as signing of the pact had been voluntary, the signatories remained bound by it.

Observers said that a new pact between the Armed Forces Movement and political parties could be signed early next month.—Agence France-Presse.

…nish Premier …ts off visit

…penhagen, Dec 16.— … Anker Joergensen, the …ish Prime Minister, has …poned the official visit he … to have made to Egypt in …tary because of his recent …ss, the Danish Foreign …istry announced today.

… Gaulle letter …ches £1,944

…aris, Dec 16.—A letter from …eral de Gaulle to American …ps returning home after the …ond World War fetched …00 francs (about £1,944) at … auction in Paris yesterday. …gence France-Presse.

…ash victims rob …od Samaritan

…levers, Dec 16.—When a …d Samaritan went to help … men struggling from a car …ich crashed into a ditch near …e they drove off in his car. …ench police say the men …re escaping after a robbery. Agence France-Presse.

Italy blocks nuclear fuel project

From Michael Hornsby
Brussels, Dec 16

An ambitious research programme, which if successful could eventually provide the EEC with inexhaustible supplies of cheap fuel, has been blocked because of a dispute over the choice of a site for the construction of a giant experimental plant to produce energy by thermonuclear fusion.

At a meeting of EEC research ministers in Brussels yesterday, Italy refused to join its partners in giving the go-ahead for the programme, which was planned to run for five years from the beginning of next year at a total cost of 615m units of account (about £250m). All other member states were ready to give their approval.

The aim of the research is to develop a new source of energy by fusing light atoms. Conventional nuclear energy is generated by splitting heavy atoms. The basic materials for this new energy are deuterium and lithium, both of which are available in unlimited quantities in seawater.

The Italians, whose refusal last night amounted to a veto, said that they could not agree to the programme as a whole unless a decision was taken at the same time on the site for the experimental thermonuclear plant, known as the Joint European Torus. Ispra, in northern Italy, is one of the main contenders for its siting.

Dr Guido Brunner, the EEC Commissioner for research, told the Council meeting that the Commission would not be ready until the new year to make a formal recommendation on the site for the plant. It is known, however, that the Commission favours Ispra over its main rival, the Culham (Oxfordshire) laboratories of the British Atomic Energy Authority.

In the Commission's view, Ispra would be the best choice on several counts. It is one of the EEC's four joint research centres and would thus be appropriate for a Community project. It also has the necessary electricity supplies, as well as adequate housing and a European school for research staff and their families.

France and West Germany—both possible sites—are lukewarm about Ispra, which has an unhappy history of bureaucratic inertia and staff unrest. Britain shares these reservations, more especially as it considers that Culham has the best claims.

The main factor in favour of Culham is that for the past two years a team of European scientists, of whom 40 per cent are British, has been working there on a blueprint for the project. A decision not to build the plant at Culham would be a great blow to the laboratory, whose research team is one of the most advanced in matters of nuclear fusion.

The European Commission denies suggestions that Culham may not be chosen because of the British Government's decision to refuse further funding for the international Dragon high-temperature reactor project, situated at Winfrith, Dorset, which several EEC participants, such as West Germany, were keen to continue.

Scots sailor given 20 years' jail for Cadiz killing

From Our Correspondent
Madrid, Dec 16

James Valente, aged 18, a merchant seaman from Motherwell, Lanarkshire, was today jailed for 20 years and a day by a court in Cadiz after being found guilty of murdering a Spaniard who died after a brawl in the city last June.

Four other British seamen, who were acquitted last week, have returned home.

The court was told that the sailors from the liquid gas tanker Faraday "went beserk", beating up passers by. Mr Valente's sentence will be reduced by at least three years under the recent pardon granted by King Juan Carlos.

Woman tells court she set out deliberately to kill President Ford

San Francisco, Dec 16.—Sara Jane Moore told in evidence today how she planned to shoot President Ford with the "specific intent" of murdering him.

At a special hearing to decide whether to accept her plea of guilty, Mr Samuel Conti, the district court judge, asked Miss Moore for an account of her actions on September 22, when she fired a shot at Mr Ford as he left an hotel.

"I got up", she said. "I took my son to school. I went over to Danville and purchased a gun I had seen the day before. . . .

"I went to Union Square, rode around, parked to see if anyone would recognize me or not, circled around the hotel. . . . I joined the people waiting for the President and when he exited from the hotel. I took a gun from my purse [handbag] and fired a shot at him."

Judge: Did you do it with specific intent to murder the President?—Yes, I did.

Mr Conti ruled yesterday that Miss Moore was competent to change her plea from not guilty to guilty but set today's hearing to determine whether she actually committed the crime and whether she was sane at the time.

Miss Moore told the court yesterday that she had conferred with her lawyer and an "activist priest", the Rev William O'Donnell, of Berkeley, and remained certain she wanted to plead guilty. "I am at peace with myself", she said.

Miss Moore appeared to indicate that she might not have acted alone in contemplating an assassination attempt before September 22.

Judge: Were you coerced by anyone to do this?—No.

Were you acting alone or in concert?—As to this specific date in time? I can speak only for that specific date. I was acting alone. No one assisted me.

Did anyone encourage you?—As to that particular time and place, No, sir.

When the judge said this statement seemed ambiguous, Miss Moore said: "I don't think it seems ambiguous." The judge said he was trying to find out if her action was voluntary and deliberate. She replied: "I was acting voluntarily and of my own free will."

When asked: "Did you intend to shoot President Ford?", she replied: "Yes."

Did you intend to assassinate Mr Ford prior to September 22?—Yes.

Miss Moore explained that she meant that she had planned to do it but had not tried previously.—AP.

CIA officials brief senators on Russian threat

From Our Own Correspondent
Washington, Dec 16

The Ford Administration today mounted a counter-attack against members of both Houses of Congress, which are attempting to limit American intervention in Angola. Officials from the State Department and the Central Intelligence Agency (CIA) were dispatched to the Senate to brief the Foreign Relations Committee's subcommittee on Africa over developments in the war-torn republic.

The subcommittee, which was holding hearings on the matter today, promptly went into closed session for the briefings. The Administration hopes that when the senators are faced with the details of the large-scale Russian involvement in Angola, they will agree that the President was right to authorize military aid worth $25m (about £12.5m) to be sent to the anti-communist forces.

The Opposition, led by Senator Clark, of Iowa, have introduced legislation to prohibit such aid without [illegible] approval. The President is allowed to send aid under the War Powers Act.

Senator Clark, and the majority leader, Senator Mike Mansfield, fear that American involvement in Angola will repeat the Vietnam experience, and that they are now peering down another tunnel which might or might not have light at the end of it.

Dr Kissinger, the Secretary of State, argues that the situations are quite different. He maintains that the Russian presence, not to mention the large contingent of Cuban soldiers fighting for the Marxist group in Angola, is a direct threat to American security.

There is a strong feeling in Congress that the Administration was less than candid in its handling of American arms shipments to Angola. Only two weeks ago, the State Department was asserting that any American arms reaching Angola must be coming through Zaire, which was receiving a certain amount of military aid, all open and above board.

In fact, as the Government now admits, the right-wing [illegible] factions in Angola have already received $25m in American [illegible]

Guerrillas withdraw in Lebanon truce

Beirut, Dec 16.—Lebanese guerrillas finally withdrew from Beirut's luxury hotel battleground today under a new truce agreement, police sources said. Right-wing Phalangist gunmen pulled out of the fire-blackened Holiday Inn hotel at 2 pm, as part of the agreement providing for internal security forces to take over the wrecked seafront district.

One Phalangist group had stayed in the 26-storey skyscraper overnight, saying it would remain in case the ceasefire broke down.

Left-wing guerrillas had earlier left two other hotels, the St George's and the Phoenicia. They also withdrew from the Murr Tower, a huge unfinished tower block from which they had directed a hail of bullets and rockets at the Phalangist-held Holiday Inn.

Security forces reported some firing between the Christian suburb of Ain al-Rummaneh and the Muslim district of Shiyah, but otherwise the city was quiet. It was possible once again to walk in safety among the shell-battered, abandoned hotels and office blocks on the seafront.

"The ceasefire will stay until they [the leftists] break it", a young Phalangist, who goes by the name of "Big Bear", said in the Holiday Inn earlier. Other Phalangists thrust half-full bottles of the hotel's whisky at journalists as they toured the building to the accompaniment of pop music playing over loudspeakers.

Much of the ground floor, guarded by a nervous security man behind a sandbag emplacement at the hotel entrance, was awash with water from broken pipes.

The lifts still worked, however, and the damage to the hotel interior seemed to be less than in the St George's and the Phoenicia, parts of which were gutted completely. Outside, the white walls were blackened from frequent fires and holed from repeated rocket fire.

In the St George's hotel, which was occupied last week by left-wing forces trying to drive the Phalangists out of the hotel district, about 20 lightly-armed members of the security forces were in position today. The hotel was set on fire several times during last week's fighting and the ground floor was burnt out completely.

On the external front, Mr Rashid Karami, the Prime Minister, said today that Israel harboured "evil designs" on excuses to justify an attack on the country.

He said he had heard an Israel radio commentary in English which disclosed an Army plan to "help and rescue the Jews of the Wadi Abu Jamil district in Beirut".

Mr Karami said: "Jews in the Wadi Abu Jamil district have been subjected to no assaults whatsoever, but on the contrary all sides provided them with protection and help. Accordingly, the excuses made by Israel are false. But if its aim is to exploit the situation to commit an aggression, then we on our part will spare no efforts to defend our sovereignty and dignity."—Reuter.

Prisoners freed in Nepal

Katmandu, Dec 16.—Fifty-one political prisoners have been released in Nepal to mark the anniversary of the new constitution proclaimed by the late King Mahendra.

Most of those released belonged to the banned Nepali Congress Party or were sympathizers. Among them was Mr Krishna Prasad Bhattrai, who was Speaker of the Lower House of Parliament.

Sri Lanka inquiry ends

From Our Correspondent
Colombo, Dec 16

The Criminal Justice Commission, which inquired into 17 charges of foreign exchange offences against Sir Oliver Goonetilleke, the country's first Ceylonese Governor-General and others, ended its hearings today and the three judges indicated that their verdict would be announced on February 4.

Mauritania besieges Saharan rebels

Madrid, Dec 16.—Mauritanian troops are reported to have besieged a small town in Spanish Sahara in the latest round of fighting with the Polisario Front, an Algerian-backed liberation movement.

The Spanish news agency, Cifra, said Mauritanian artillery bombarded the town of Güera, in the south of the desert territory, yesterday. The Mauritanians had given Polisario forces holding the town 48 hours to allow women and children to leave. The deadline was believed to be due to expire early tomorrow.

About 800 members of the Front, which is fighting for the independence of Sahara, occupied the town last month after it was abandoned by Spanish troops withdrawing from the territory under an agreement between Spain, Morocco and Mauritania. They barricaded themselves inside a fish meal factory inside the town.

Cifra reported that the Mauritanian forces had apparently suffered more casualties than the Polisario so far and were reported to be airlifting their wounded to the Mauritanian capital Nouakchott.

In recent weeks the Front, with full support from Algeria, has increased its guerrilla campaign against the new Saharan administration being formed by Morocco and Mauritania. Last week their forces claimed to have won control of three quarters of the town of Smara in fierce fighting with Moroccan troops, but the official Moroccan news agency denied this.

According to Spanish press reports the Front has abandoned the capital, El Aaiún, to wage a guerrilla campaign from the desert against the new administration.

About 4,000 Moroccan troops arrived in the capital last week to back up the joint Moroccan, Mauritanian and Spanish authorities administering the territory in preparation for a total Spanish withdrawal, due at the end of February.—Reuter.

Rabat: Algerian launches yesterday landed men and equipment in Güera which is on the border with Mauritania, the Moroccan news agency said today, in a dispatch from El Aaiún.

Sources here said that Algeria has expelled a further 403 Moroccans over the past 48 hours. The total of Moroccans ordered out since last week was said to be more than 600.

Algiers: Morocco is about to expel several hundred Algerians in retaliation for a similar move against Moroccans last week by Algeria, the Algerian press reported today.—Reuter and Agence France-Presse.

Chief Rabbi in talks with Soviet officials

Moscow, Dec 16.—Dr Immanuel Jakobovits, leader of Britain's Jewish community, had a two-hour discussion today with senior Soviet religious affairs officials.

Dr Jakobovits arrived here yesterday for a 10-day official visit at the invitation of Moscow's Jewish community, the first visit of its kind to the Soviet Union by a Western chief rabbi.

Mr Moshe Davis, his aide, said they were received today by Mr Viktor Titov, the deputy chairman of the Council for Religious Affairs, and had discussions on a wide range of subjects. "It was a very helpful and very useful meeting", he said, but added that the Chief Rabbi did not wish to reveal any specific details yet.

At today's talks the Soviet side had agreed to the Chief Rabbi's request to see officials of the Interior Ministry, responsible for Jewish emigration, for talks on matters outside the competence of the Council for Religious Affairs.

Tonight Dr Jakobovits was travelling to Leningrad by train.—Reuter.

Gromyko visit designed to embarrass Tokyo

From Our Correspondent
Tokyo, Dec 16

Moscow's sudden decision to send the Foreign Minister, Mr Andrei Gromyko, to Tokyo, possibly during the second week of January, apparently was motivated by a desire to bring further pressures to bear on the deadlock in Sino-Japanese relations, according to high Foreign Ministry sources here.

The visit of Mr Gromyko to Japan had been agreed when Mr Kiichi Miyazawa, the Japanese Foreign Minister, visited Moscow last February. Mr Gromyko promised that he would resume negotiations concerning a peace treaty between the two countries.

As a basic precondition for agreeing to conclude a peace treaty with Moscow, Japan wants the return of four Northern islands at present held by the Soviet Union—Etorofu and Kunashiri, at the Southern end of the Kurile island chain, and Habomai and Shikotan, off the eastern coast of Hokkaido.

It is now thought that Mr Gromyko's visit to Japan, at a time when its talks with China on the conclusion of a peace treaty had apparently become bogged down on the question of anti-hegemonism, is designed to embarrass Tokyo in its talks with Peking rather than to promote talks on a Soviet-Japanese peace treaty.

OVERSEAS

Rhodesian commission on racial discrimination charts depths of feeling among white minority

From Nicholas Ashford
Salisbury, Dec 16

"We in the Rhodesian Front party do not think there is anything inherently bad in racial discrimination," Mr R. G. S. Simmonds, MP for Mtoko, *said recently when giving evidence* on behalf of the party to the commission of inquiry on racial discrimination in Rhodesia.

There were mental and physical differences between the European and African races, he went on. "Because of these differences, inducted mixing of races causes friction and, *for this reason, the* Rhodesian Front does not encourage racial integration."

Mr Simmonds's views are typical of many white opinions that have been submitted to the 12-members of the multiracial commission since it began its hearings in October. Many of them are *more extreme*.

Mr Christopher Mennel, an accountant *in Gwelo*, maintained that, as each racial group had a distinct body odour, it was only practical to remove this offence by the separation of races. Mr B. F. Konschel, a founder member of the ruling Rhodesian Front, argued that if integration was taken to its logical conclusion "it would ultimately lead to mixed marriages and the bastardization of both races."

Mr Wilfred Brooks, chairman of the Rhodesian branch of the ultra right-wing Southern Africa Solidarity Congress, maintained that whites rather than Africans were being discriminated against. The whites had created Rhodesia yet they had to bear the burden of taxation "to support people who do not wish to help themselves."

They also had to suffer "the extreme inconvenience caused to sophisticated people who are obliged to stand in queues at post offices and banks while the often slow-moving African mind tries to decide what it wants", he said.

Not all white evidence to the inquiry has been in a similar vein. The small but vocal Centre and Rhodesia parties condemned strongly what they regarded as the main roots of discrimination in Rhodesia: the Land Tenure Act, the Electoral Act and the 1969 Constitution. So did the Rhodesia Roman Catholic bishops' conference in a lengthy and detailed submission that criticized the Government for its continued emphasis on "eliminating racial friction" by holding the races apart rather *than attempting to promote* "racial harmony".

However, the white electorate's overwhelming support for the Rhodesia Front and its belief in the need for racial separation illustrates just how tightly the hands of Mr Smith, the Prime Minister, are tied in the constitutional talks that are now taking place with Mr Joshua Nkomo's wing of the African National Council (ANC).

His scope for offering concessions to the nationalists is restricted severely. The white electorate would certainly not accept the speedy transfer of power to majority rule, which Mr Nkomo and the rival wing of the ANC, led by Bishop Abel Muzorewa are demanding.

Neither group has submitted evidence to the commission of inquiry. They maintain that its terms of reference are too restrictive and contain an inherent contradiction in their emphasis on "undesirable and unnecessary discrimination".

Furthermore, they maintain that examples of legally-enforced racial discrimination in Rhodesia are so glaringly obvious that the commission's work is irrelevant. They point, for example, to the Land Tenure Act under which the land is divided into two equal areas, one for the country's six million blacks and the other for the quarter of a million whites. The Act reduces the vast majority of the people to the status of migratory workers or, at best, second-class citizens.

Similarly, white political interests are represented by 50 white members of Parliament while there are only 16 blacks, half of whom are tribal appointees. In education, 11 times as much is spent on a white child's schooling as on a black's.

The commission, headed by Sir Vincent Quenet, a former judge-president of the appellate division of the High Court, ended its hearings last week and its findings will be completed in the new year.

The Government is attaching great importance to its report, but African critics think it will do little more than try to remove discriminatory pinpricks and the more obvious examples of "petty apartheid".

Olga Korbut, the Soviet gymnast, dressed in jeans and platform boots, sipping orange juice after her arrival in Atlanta, Georgia, Yesterday.

Concorde's rival in service first

Moscow, Dec 16.—The Soviet supersonic airliner, Tupolev Tu144, will go into regular service on Christmas Day, almost a month ahead of Concorde, the trade union newspaper *Trud* reported today.

It said that the Tu144 would fly from Moscow's Domode*dovo domestic airport* to Alma Ata, capital of Kazakhstan. "The flight opens air traffic by supersonic aircraft on the routes of Aeroflot", *Trud* said in a short report inconspicuously placed on an inside page.

The newspaper did not say, however, whether the Tu144 would be carrying passengers or only freight. It just said that twice-weekly flights to Alma Ata were planned. Soviet authorities have said in the past that the airliner would begin carrying freight on home routes before going into paying service in the spring of 1976.

Concorde begins passenger service on January 21. British Airways will operate flights from London to Bahrain and Air France from Paris to Rio de Janeiro.—Reuter.

In brief

Uninvited visitor to White House

Washington, Dec 16.—The Secret Service has confirmed that police are holding a man *who climbed the fence around* the White House twice in 10 days to reach President Ford.

The man, named as Mr Gerald Gainous, aged 24, a political science graduate, is said to have wanted to see Mr Ford to seek a new trial for his father, convicted of smuggling heroin.

New Quinlan theory

Trenton, New Jersey, Dec 16.—A grand jury is to investigate the possibility that Miss Karen Ann Quinlan, aged 21, who has [illegible] months, may have been beaten the night she lapsed into a drug and alcohol coma, a legal spokesman said today.

Younger voters

Port Louis, Mauritius, Dec 16.—The voting age for Mauritians is to be lowered from 21 to 18 and 18-year-olds will be allowed to stand as candidates at national and regional elections.

Debt stalemate

Cairo, Dec 16.—A Russian economic delegation has left here without an agreement on how Egypt should repay its debts to the Soviet Union, believed to total more than £1,000m.

Art smuggling charge

Warsaw, Dec 16.—A group of people reported to include a Roman Catholic priest have gone on trial in Warsaw charged with illegal trafficking in art treasures, gold and diamonds.

Cuba's 17-year wait

Havana, Dec 16.—Cuba's Communist Party tomorrow opens its first congress, almost 17 years after Dr Castro took power to approve plans for permanent socialist institutions and Cuba's first five-year economic plan.

207 near-misses

Washington, Dec 16.—The United States Federal Aviation Agency has recorded 207 near air collisions during the first 10 months of this year.

S African troops '100 miles into Angola'

Kampala, Dec 16.—Dr Jonas Savimbi, leader of Unita, the Angolan independence movement, was quoted here today as saying that South African forces *have moved nearly 100 miles* into Angola.

Uganda radio reported Dr Savimbi as saying: "We are very much aware that South Africa has penetrated Angola but since its troops are equipped with very sophisticated weapons we cannot fight them." South Africa officially admits to having troops no more than about 25 miles inside the territory.

Dr Savimbi, who arrived here yesterday, said that South Africa wanted to create a buffer zone so that guerrillas of the Organization (Swapo), who had camps in Angola, did not cross into its territory. He repeated his denial that South African troops were fighting alongside his movement, the Union for the Total Independence of Angola.

He said that Unita and the National Front for the Liberation of Angola (FNLA) had improved their coordination "and we are ready any time to negotiate with the MPLA (Popular Movement for the Liberation of Angola) to stop unnecessary bloodshed".—Reuter.

Our Lusaka Correspondent writes: The chances of an African summit on Angola before Christmas are now considered slim. Those states supporting the communist-backed MPLA are known to be hoping for an early meeting but those backing the Unita-FNLA forces believe they will be in a better bargaining position if the meeting is delayed.

When the call for a meeting of the Organization of African Unity [illegible] weeks ago, the MPLA was pushing into FNLA territory in the north and Unita territory in the south. Since then, however, Unita has hit back, retaking Luso and pushing east and north towards Teixeira de Sousa, Malane and Henrique de Carvalho.

Intellectuals object to changes

Warsaw, Dec 16.—A manifesto from writers and other intellectuals protesting against Communist-proposed amendments to the Polish constitution has been sent to political leaders here, one of the signatories said today.

The proposed amendments would, for the first time, give constitutional expression to the leading role of the Communist Party in the state.

The manifesto, signed by 59 people, is also reported to call for more civil liberties and a more independent role for the trade unions.

It was sent to the Speaker of the Polish Parliament, the Council of State and the four political parties—Communist, United Peasants, Democratic and Independent Catholic—which form part of the Communist-controlled umbrella organization, the National Unity Front.

Mr Edward Gierek, Poland's Communist leader, speaking during last week's Communist Party Congress, promised full discussion of the changes.—Reuter.

Australia calls for UN presence in East Timor

New York, Dec 16.—Australia today proposed to the Security Council setting up of a United Nations "presence" in the disputed territory of East Timor.

Mr Ralph Harry, the Australian representative, said that because the form of the United Nations involvement in the territory would have to be worked out, Dr Kurt Waldheim, the Secretary-General, could begin talks with the countries involved in the question and then recommend action.

After the Australian suggestion, the Security Council agreed to defer its debate on Portugal's complaint against Indonesian involvement in the territory.

Mr Harry made his proposal after Mr Huang Hoa, the Chinese representative had rebuked Indonesia for "naked aggression" against the territory and called for the immediate withdrawal of Indonesian troops.

During the debate, representatives of three pro-Indonesian parties in East Timor outlined their *positions* at the request of Indonesia.

They spoke against the left-wing Fretilin movement which declared the territory independent on November 28 and announced the formation of a government. Indonesia intervened on December 7.

Mr Harry did not elaborate on the nature of the United Nations involvement, but said Australia took it for granted that the Council would require an effective ceasefire.

"Some United Nations presence is also clearly required in order to assist in arrangements for self-determination, and we are glad to note that this is desired by all the parties concerned, including Indonesia", he said.—Reuter.

Jakarta, Dec 16.—Mr Adam Malik, the Indonesian Foreign Minister, accused Australia today of helping Fretilin in the four-month civil war in East Timor.

Mr Malik made the charge after Indonesian youths demonstrated in front of the Australian Embassy against Australia's support of United Nations resolutions critical of Indonesia's involvement in East Timor and calling for immediate withdrawal of Indonesian troops from the area.

Military aim in China's Rolls deal

By Arthur Reed
Air Correspondent

The £100m deal which Rolls-Royce has signed with China for the supply of Spey engines is entirely military in content. It will enable the Chinese to build their own fighter-bombers capable of flying at twice the speed of sound.

This fact emerged in London yesterday when Rolls senior executives returned after signing the contract in Peking over the weekend. *During the* protracted negotiations it had been suggested always that the engines were required as spares for the fleet of Trident airliners which the Chinese national airlines is buying from Hawker Siddeley. A possible military use was always accepted as a side issue.

Possession by China of a *fast, modern fighter in a few* years' time will have a serious impact on the balance of power between itself and the Soviet Union, and between East and West.

One of the conditions imposed on Rolls-Royce by the Chinese was that the Spey engine should work efficiently in 40° of frost, the inference being that they intended to use it on their northern borders with Russia.

If the Soviet Union faces a more serious threat from China, *it would take* some of the pressure off the Nato nations.

Without doubt, the Americans appreciated this when Dr Kissinger, the Secretary of State, gave his secret blessing to the deal several years ago. It also received the approval of both Conservative and Labour Governments during the three years it took to bring to fruition.

Under the deal, signed in Peking by Sir Kenneth Keith, the chairman of Rolls-Royce, the British company will ship an undisclosed number of Speys to China and will then show the Chinese how to manufacture them in their own factories. Sir Kenneth said yesterday that a little less than half of the £100m which the Chinese will *be paying in sterling* will be for technical expertise.

Rolls-Royce plainly know a great deal more about the military aspects of the contract than they are prepared to say for fear of offending their important new customers.

Observers in London yesterday formed the opinion that the Chinese may already have raised with Rolls-Royce the possibility of supplying the RB199 engine that is being developed in Britain, West Germany and Italy for the European multi-role combat aircraft.

Sir Kenneth Keith said yesterday: "I see a very big future for Rolls-Royce in China. The life of an aero engine is very long and, providing all goes well, I would see us having a key position in China for as far as one can look forward, certainly to the end of the century."

The RB199 incorporates the latest engine technology and would not be available for export at present under a rule which states that engines must be more than 10 years old. The Spey was born more than 10 years ago, but Rolls-Royce have improved it constantly. The version they will teach the Chinese to make will be a very potent power plant.

It is the version which powers the McDonnell Douglas Phantom fighter-bomber of the RAF and the Royal Navy. Each of the two engines in the Phantom gives 20,500lb of thrust.

The Chinese are known to be developing their own fighter-bomber, coded the F9, based on technology learnt from the MiG fighters they bought from the Russians.

Mr Fraser sees Australian union leader

From Michael Leapman
Sydney, Dec 16

Mr Malcolm Fraser, the Australian Prime Minister, took his first initiative today after his landslide election victory on Saturday. It was aimed at trying to foster good relations between his Government and the powerful trade union movement.

He and Mr Anthony Street, his Minister for Labour and *Immigration, held a meeting in* Canberra with Mr Robert Hawke, president of the Australian Council of Trade Unions and of the Labour Party. They agreed that a conference between ministers and both sides of industry should be held on January 16 to work out means of securing industrial peace.

As vote-counting continued today the latest figures for the House of Representatives gave the Liberals 67 seats, the National Country Party 23, and Labour 34, with three undecided.

In the Senate, the Liberals have 29 seats, the National Country Party six, Labour 27, with one Independent and one undecided.

SPORT

Racing

French tang to Chepstow menu

By Michael Phillips
Racing Correspondent

The Finale Junior Hurdle, which is the centrepiece of the racing at Chepstow on Saturday, certainly looks like living up to expectations once again. A year ago the finish was dominated by those two talented individuals, Philominsky and Night Nurse. Twenty-six three-year-olds were still engaged after yesterday's four-day forfeit stage. Havanus, *Sweet Joe and Tiepolino were* among them, and that is what counts.

If, as is the intention, all three run, the race should certainly help to tie up a few loose ends before they become four-year-olds and eligible for the Daily Express Triumph Hurdle at Cheltenham, which is generally regarded as the summit of a four-year-old's season. There was a time, particularly when the late Peter Cazalet was training, and also when Ryan Price was concentrating upon jumping, when French horses were imported into this country for hurdling in consider*able numbers*. And they were enormously successful.

But, as French prize money increased so did the asking price, with the result that fewer and fewer were bought. What was once nearly a flood dried up to a trickle. But the number is increasing again and this year both David Morley and Josh Gifford paid the French training grounds a visit to shop for young blood. *Already their* enterprise has paid off.

Morley took an immediate liking to Havanus when he saw him in Maurice Zilber's stable and he bought him on the spot on behalf of Major Robert Hoare. And Havanus has already complimented his judgment by winning at Leicester and then again at Haydock Park, where he beat Sweet Joe, whom he will meet again on Saturday.

It was an international *blood*stock agent, Julian Lewis, who knows the ins and outs of French racing better than most, who first got the wind of Tiepolino's potential. And when Heron Bloodstock Services asked him if he knew of a suitable young horse to fill Gifford's order, Lewis had no hesitation in recommending Tiepolino, who used to be trained by Francois Boutin.

Gifford also liked what he saw when he was shown Tiepolino and in due course their judgment was thoroughly vindicated when Tiepolino won the Benson and Hedges Three-Year-Old Hurdle by *eight lengths* at Sandown Park. That was his only race so far in this country and I will be intrigued to see how he fares against Havanus and Sweet Joe on Saturday.

Racing at Folkestone was called off yesterday because the course was frozen, but with any luck there should be racing at both Catterick Bridge and Towcester today.

STATE OF GOING (official): Catterick Bridge: firm. Towcester: good to firm. Southwell (tomorrow): good. Taunton (tomorrow): good.

Catterick Bridge programme

12.45 KIPLIN HURDLE (Handicap: £340: 2m)

1 1-1220f Persian King (D) (J. Barker), W. Wharton, 5-11-13 P. Tuck
2 4-00010 Ali's Carina (CD) (G. Packito), W. Haigh, 5-11-2 P. A. Charlton 5
[illegible]

1.15 DANBY STEEPLECHASE (Handicap: £680: 3m 300yd)

[illegible]

1.45 STREETLAM HURDLE (Div I: novices: £340: 2m)

[illegible]

2.15 ELLERTON STEEPLECHASE (Maidens: £408: 2m)

[illegible]

2.45 BROMPTON HURDLE (Novices: £340: 3m 300yd)

[illegible]

3.15 STREETLAM HURDLE (Div II: novices: £340: 2m)

[illegible]

Catterick Bridge selections

By Our Racing Correspondent
12.45 Persian King. 1.15 Baylord. 1.45 Lochranza. 2.15 Royal Playboy. 2.45 Sovereign Gold. 3.15 French Warrior.

Towcester programme

12.30 CARMEL HURDLE (£306: 2m)

1 303002 Blameless Stall (CD) (G. Williams), Williams, [illegible]
[illegible]

1.00 MENLO PARK STEEPLECHASE (Handicap: £[illegible]

[illegible]

1.30 SHARON HURDLE (Handicap: £510: 2m)

[illegible]

2.0 NORTHAMPTON HURDLE (Div I: Novices: £306: 2m)

[illegible]

2.30 JOHN CLARE STEEPLECHASE (Handicap: £374: 2[illegible]

[illegible]

3.0 NORTHAMPTON HURDLE (Div II: Novices: £306: 2m)

[illegible]

Towcester selections

By Our Racing Correspondent
12.30 Hit Parade. 1.0 Dunkery Beacon. 1.30 Sunny Stroll. 2.0 [illegible] Boy. 2.30 Decimal Currency. 3.0 Dan Pablo.
By Our Newmarket Correspondent
12.30 Downing Arms. 1.30 Poor Boy. 2.0 Merry Boy. 3.0 Il Magni[illegible]

Warwick results

[illegible]

1.0 (1.1) SHIRLEY STEEPLECHASE (Div I: maidens: £340: 2m)
Shifting Gold, b g, by Bright as Gold—dam not registered (R. Russell), 6-11-9 D. Sunderland (10-11 fav) 1
Solarium, br g, by probably Sunny Way—Michele's Birthday (Mrs M. Whitaker), 5-11-9 J. Fox (12-1) 2

[illegible]

3.30 (3.31) STONELEIGH STEEPLECHASE (Handicap: £628: 3m)
Moon Trip, b g, by Blast—Flight's Orchid (A. Connell), 7-10-0 J. Francome (7-2) 1
Roman Pastures, ch g, by Paddy's Wonder—Propellant Miss (C. Possart), 6-10-13 K. B. White (4-5 fav) 2

[illegible]

Outlook for 1976 National brighter

A new assurance that the National will take place on April 3 was given [illegible] The race—jeopardized [illegible] Davies's inability to secure [illegible] for Aintree approaching [illegible] he paid for it—will [illegible] Derek Hale, the public [illegible] officer to Mr Davies [illegible]

Commenting on newspaper reports that secret negotiations [illegible] the purchase of the course [illegible] nearing fruition, Mr D[illegible] "Talks are continuing [illegible] resentative for Mr Davies [illegible] ates that the Grand N[illegible] certain to be run at Aintree [illegible] year".

Mr Dale could not reveal [illegible] was on the opposite side of the negotiating table to Mr [illegible]

Show jumping

Italian riders drop out at last moment

By Pamela Macgregor-Morris

The Olympia International Jumping Show, which is this year sponsored jointly by Dunhill, Radio Rentals, and Whyte & Mackay Whisky, starts its five-day run tonight in the historic building where the first Royal International Horse Show was held in 1907.

Alwin Schockemöhle, the European champion, has arrived from West Germany to renew his rivalry with David Broome, accompanied by the world champion, Hartwig Steenken. But a last minute withdrawal is Major Paul Weir, of Switzerland, the holder of the Dunhill Grand Prix. Last week in Paris his best horse went lame and his wife, the former Monica Bachmann, had the misfortune to break her wrist.

Major Raimondo d'Inzeo and the Olympic champion, Graziano Mancinelli, have also defaulted at *the last moment*—not for the first time—but for no apparent reason. Raymond Brooks-Ward, the show director, said last night: "I am fed up, and so are many show organizers, with the way in which certain Italian riders promise to come to shows and then change their minds at the last minute. They asked us to fly them back to Milan in time for Christmas, which we agreed to do, even though it was not in the original agreement. But apparently even this undertaking did not suit them".

France is fielding Hubert Parot and Marcel Rozier: Switzerland has sent Jorg Friedli and Walter Gabachuler; and the invading force is completed by Ferdi Tyteca and Francois Matthey from Belgium.

All the horses arrived from the Paris International Show before the fog closed down on London on Monday and they are sharing their stables with four racing camels, who will perform nightly with different jockeys. Ted Edgar, who is short of horses at the moment, has already had a rehearsal with the least cooperative of them, a female called Mary, who has now acquired a soubriquet more reminiscent of the bar than of the desert.

The show tonight is a gala performance which will raise £2,000 for the Olympic Equestrian Fund.

Skiing

Evi Mittermaier a surprise winner for the favourites

From John Hennessy
Cortina d'Ampezzo, Dec 16

As was hesitantly foreshadowed here yesterday, the World Cup women's downhill race here today went to Germany, but there expectation ended. Instead of the two leading downhill skiers, Rosi Mittermaier and Irene Epple, the winner, defying even her own ambitions, was Evi Mittermaier, *younger sister of Rosi. Her time* over the 2,800 metres course, with a vertical drop of 700 metres, was 1min 52.82sec.

This was Evi's first success in a big race, yet the omens were anything but propitious. To begin with, she damaged her back during the Criterium de la Première Neige at Val d'Isère a week or two ago, which denied her a place in last week's race at Aprica and constricts her movements so that she cannot bend comfortably into a racing crouch. Again, the elements added to the technical difficulties, with visibility severely reduced, particularly higher up, and incessantly falling snow since last night changing the character of the course.

Clearly the Germans had chosen the right wax—Miss Epple finished fifth and the older Mittermaier eighth (one is tempted to write "old Mittermaier" because, though only 25, she seems to have been around so long). Evi Mittermaier is said to be what the French call "une bonne glisseuse", meaning a free-running skier when conditions are unhelpful.

In such circumstances—the streets of this fashionable resort are rivers of melting slush—mistakes were almost inevitable and racer after confounded racer was able to describe at the finish how things had gone awry for her at this or that part of the race. The exception was Evi Mittermaier, who was unaware of making any error.

The conditions were against the early runners, deprived of a pisted track, and Wiltrud Drexel, of Austria, performed wonders to finish fourth (1 : 53.77) from the first start number. Fiona Easdale, one of the two British entries, described Miss Drexel's skiing as "fabulous" on the upper part of the course, well out of view of the spectators.

Brigitte Totschnig, of Austria, fastest in training, was second (1 : 52.95) and Bernadette Zurbriggen, of Switzerland, surely the best women's downhill racer today in the fastest, most hair-raising conditions, third (1 : 53.51) starting in favourable positions, 12th and 11th respectively.

Tomorrow's slalom assumes *special significance*, since it is the first time this season that the combined formula will be used in the World Cup. The first 10 placings in the combined gain the same allocation of points as those in individual races, ranging from 25 for first place to one point for 10th.

Only a fall stands between Germany and 25 more points, through Rosi Mittermaier or Miss Epple. They are embedded in a solid phalanx of downhill racers pure and simple and one would have to go down as far as 17th in the downhill list, to Danielle Debernard, of France, to find an all-rounder of anything like comparable merit. Lise-Marie Morerod, of Switzerland, is the outstanding slalomer this season, but she stands 40th and has no chance of overhauling either of the two Germans.

Miss Totschnig's second place today, worth 20 points, has *launched her into first place in the* World Cup with 39 points.

The British entries took up modest positions today. Valentina Iliffe, troubled by an injured ankle that collapsed altogether after the finish and left her a crumpled heap, finished 40th (2 : 2.02) and the 16-year-old Fiona Easdale, inhibited by a fall at Aprica which apparently projected her into a safety net like a stranded starfish, finished 50th (2 : 6.30). There were 63 starters, of whom 11 failed to stay the course.

WOMEN'S DOWNHILL: 1, E. Mittermaier (WG), 1min 52.82sec; 2, B. Totschnig (Austria), 1:52.95; 3, B. Zurbriggen (Switzerland), 1:53.51; 4, W. Drexel (Austria), 1:53.77; 5, I. Epple (WG), 1:54.12; 6, E. Deufl (Austria), 1:54.25.

WORLD CUP STANDINGS (to date): 1, Totschnig, 39 pts; 2, Zurbriggen, 31 pts; 3, L.-M. Morerod (Switzerland), 30 pts; 4, R. Mittermaier (WG), 21 pts; 5, Epple, 21 pts; 6, E. Mittermaier, 25 pts. British positions: 40, V. Iliffe, 2:02.02; 50, F. Easdale, 2:6.30.

Strong challenge this year by Oxford

From a Special Correspondent
Falcade, Italy Dec 16

The Oxford and Cambridge races commence here tomorrow with the giant slalom and Thursday with the [illegible] Although Cambridge won comfortably last year the two universities are evenly matched this year.

Both teams have had 10 gruelling training under *former* Cambridge and [illegible] *trainer*, Douglas Low. The *director*, Mr Barbetta, has every assistance and provided most sophisticated electronic timing equipment for the [illegible]

The mainstay of the Cambridge team will be their captain A. Reicher, Iain Low, and Czechoslovak, Ondrej Krivanek. Oxford are counting on their captain Richard Hayles, a[illegible] also a Scottish racer and the [illegible] educated Dutch girl, M[illegible] Ingenhousz.

CAMBRIDGE: A. Reicher (captain), [illegible] O. Krivanek [illegible]
OXFORD: R. Hayles (capt.), [illegible] M. Ingenhousz [illegible] B. Fuchs [illegible]

Snow reports

	Depth L	Depth U	State of Piste
GERMANY			
Garmisch	10	30	Fair
Hindelang	15	35	Fair
Mittenwald	15	20	Fair
Oberstaufen	10	30	Fair
SWITZERLAND			
Adelboden	15	50	Hard
Aro [illegible]	[illegible]	[illegible]	[illegible]
Braunwald	[illegible]	[illegible]	[illegible]
Crans	[illegible]	[illegible]	[illegible]
Davos	[illegible]	[illegible]	[illegible]
Flims	[illegible]	[illegible]	[illegible]
Grindelwald	[illegible]	[illegible]	[illegible]
Kandersteg	[illegible]	[illegible]	[illegible]
Klosters	[illegible]	[illegible]	[illegible]
Lenk	[illegible]	[illegible]	[illegible]
Lenzerheide	[illegible]	[illegible]	[illegible]
Les Diablerets	[illegible]	[illegible]	[illegible]
Leysin	[illegible]	[illegible]	[illegible]
Murren	[illegible]	[illegible]	[illegible]
Pontresina	[illegible]	[illegible]	[illegible]
Saas-Fee	[illegible]	[illegible]	[illegible]
St Moritz	[illegible]	[illegible]	[illegible]
Savognin	[illegible]	[illegible]	[illegible]
Verbier	[illegible]	[illegible]	[illegible]
Villars	[illegible]	[illegible]	[illegible]
Wengen	[illegible]	[illegible]	[illegible]
Wildhaus	[illegible]	[illegible]	[illegible]
Zermatt	[illegible]	[illegible]	[illegible]

SCOTLAND: Cairngorm: One [illegible] broken [illegible] Access roads clear, level 2,000 feet.

SPORT

Rugby Union

Wales must beware the formidable Australian machine

By David Parry-Jones

Glamorgan 18 Australia 31

Once again a combined Welsh XV has proved unable to test a touring party. In the Gnoll, New Zealand beat Neath-Aberavon XV by 43 to three, and yesterday at the same ground it was the Wallabies' turn to humble Glamorgan by five goals, three tries, and three penalties to six penalties kicked by Lewis, the Bridgend stand-off. The result will refuel the argument that in Wales club sides rather than scratch teams should be awarded these important fixtures.

For Australia it was a triumphant reentry into the principality; previously they had lost to Wales, held on by the skin of their teeth at Llanelli, and looked ordinary against Swansea. After the disappointment of Cardiff they have now run up 86 points in three games, and there is no doubt about the quality of the attacking machine they will field at Wales's national stadium in Saturday's international.

Furthermore, although seven Australian international players were rested yesterday, it may have been John Hipwell, enjoying a well-earned rest, most pleasure to see two of the second ranked centres, Ryan and young Wright, scoring three tries apiece.

Earlier, Glamorgan's Scottish coach had said before the game that his men had not been tested sufficiently for his liking. Indeed it took them a full 10 minutes to achieve a degree of cohesion. In this period Hindmarsh kicked two penalties, and scored under the posts after Australia had borne the ball exuberantly to the left corner flag, and passed it back to midfield. The kick converted, but failed with the next try, scored by Ryan: put in after a lineout, the burly centre brushed Bolderson aside as if he did not exist in an exciting sprint to the flag.

Meanwhile, Lewis was busily piling up penalty points to keep Glamorgan in the game. Several of these followed front-row infringements when McDougall or Meadows were caught lowering the scrum or Horton failed to bind. The last score, after the backs got themselves on the move, took the County into a half-time lead of 18—16.

Australia struck hard immediately after half-time, however, with the first of three fine tries in succession by Wright. The young stand-off proved too much of a handful for Glamorgan's back row, and revealed both sustained speed in his midfield breaks and acceleration close to the try-line. Hillhouse crashed through two tackles for the sixth try, before Ryan knocked the last two nails into Glamorgan's coffin—once sent in at the flag by Shaw on his own right wing, once cheekily stealing a score from Monaghan across on the line. Hindmarsh lifted his own contribution to 23 points with four more conversions and a penalty.

So the game will be remembered not only for the big score, but also for some entertaining passing and running by the Wallabies. But the real lessons for Wales to learn and digest are that the quality of loose ball forwarding by Australia is potentially as high as anything encountered in the last five or six years (it was smooth as clockwork in the final 20 minutes yesterday) ; and that Fay and Hillhouse present quite formidable problems at the lineouts.

So the Wallabies go forward to Saturday with morale and expectations high. Their only problem is to keep things in perspective ; to get a fix on true Welsh mettle they should think back to St Helens or Stradey rather than to The Gnoll's somewhat disjointed opposition.

GLAMORGAN: C. Bolderson (Pontypridd) ; V. Jenkins (Bridgend), P. Phillips (Maesteg), C. Holley (Pontypridd), B. Juliff (Pontypridd) ; I. Lewis (Bridgend), A. Walters (Bridgend) ; C. Williams (Aberavon), G. Davies (Bridgend), A. Davies (South Wales Police), R. Hughes (Neath), R. Pemberton (Pontypridd), W. Lander (Neath, captain), G. Williams (Cardiff Training College), C. Jones (Bridgend).

AUSTRALIANS: J. Hindmarsh; J. Ryan, G. Shaw (captain), D. L'Estrange, L. Monaghan; K. Wright, R. Hauser; J. Meadows, P. Horton, S. McDougall, G. Eisenhauer, G. Fay, J. Lambie, D. Hillhouse, G. Pearse.

Referee: Mr P. L. Lillington (England).

George stands in for Page

Northampton will be without Page, the England scrum half, when they play Bedford today at Franklins Gardens in the first round of the John Player Cup. Page is not available and his place is taken by George. Cubitt replaces George at [illegible] and on the wing Bignell, recovered from influenza, returns [illegible] Irving, who broke a finger on Saturday.

Bedford, the holders, may be without their flank forward, [illegible], who injured a hamstring in half an hour at Cardiff last Saturday. Hanson also has leg trouble, but both are included in the team.

Harlequins are at near full strength for their Friday evening match at Newport, but this means that two of their players, Cooke and Martin, will have to hurry back to London in order to sit on the replacements bench at the final trial on Saturday.

Saracens have dropped Vinter for the match at Abertillery. Sanders replaces him. In the pack Riddle returns for Sherriff at No 8.

London Irish, who will be seeking their seventh victory of the season over London sides, will have their captain, Kennedy, back from inter-provincial duty for the match against Metropolitan Police at Sunbury. Molloy and O'Driscoll are playing for Connaught against Munster this week and Lavery is expected to be called up by Munster.

British rackets

Courtney beats champion to reach the semi-final

By Rex Bellamy

Squash Rackets Correspondent

Stuart Courtney, aged 26, a left-hander who learned his squash at Dulwich, beat the Pakistan amateur champion, Mohamed Saleem, by 4—9, 9—4, 9—3, 9—3 at Wembley yesterday to reach the semi-final round of the British amateur championship, sponsored by Pakistan International Airlines.

Next week Courtney will be back at work with the family's industrial [illegible] business at Cardiff. Tomorrow he will return to Wembley to tackle Aly Abdel Aziz, the [illegible]ful Egyptian who, on [illegible]y, beat Philip Ayton, the British amateur ranked above Courtney.

[illegible] of three jogging, track-suited figures familiar to those who frequent Sophia Gardens at Cardiff, Courtney reckons he has done more training this year than at any other stage of his career. His competitive programme has [illegible] been restricted to weekend tournaments and he has no depth of confidence in his match fitness. There can be no such doubts about his form after the exemplary squash he displayed yesterday.

Courtney's boasting (especially on the forehand) and his drop shots demanded a speed of anticipation and footwork beyond Saleem's capacity. Even when volleying or half-volleying, they often seemed to have an unerring knack of floating the ball an inch above the tin—and, too often for Saleem's peace of mind, thence into the nick. They set up the openings by hitting neatly to a length. After the first game, he played himself in with a few lobs and subsequently harnessed his enviable talent with a discretion, assurance and control that kept Saleem under remorseless pressure.

Saleem, another left-hander, uses a short grip and is so flat-footed and ungainly that his movements are puppet-like. But in his unorthodox way he can be surprisingly effective when given the chance to go for winners. For one game, but only one game, he had the chance and took it. After that, Courtney's short game was too good for him, though Saleem reckoned he should have had more lets than he was granted.

Aziz decisively outclassed Abdul Rehman, who won Pakistan's junior championship four times between 1964 and 1967, but, for all his sometimes dazzling shots, still looks immature as a match-player. Aziz beat him 9—2, 9—1, 9—1 in a match of little significance beyond the obvious implication that Courtney may find tomorrow's assignment tougher than yesterday's.

The other match tomorrow will feature the amateur champions of Australia and South Africa, Kevin Shawcross and Ian Holding. Another South African, Alan Colburn, had to concede five inches and more than 4st to Shawcross, who looks like a younger, more finely trained but equally rumpled version of Tommy Cooper. The disparity in size and reach would not have mattered so much but for the quality of the Australian's squash. His massive strength was married to a sure touch and a shrewd tactical sense. He won 9—3, 9—2, 9—0.

Holding, aged 20, beat Maqsood Ahmed, 18, by 9—3, 9—6, 9—2. Holding sprang to prominence a few months ago. He has the fitness to withstand pressure and the imagination and ball control to impose it. His game may be less flamboyant than Maqsood's. But it is much more mature.

Football

David Kemp (dark shirt) scores Crystal Palace's first goal at Selhurst Park last night.

Johnson shows Palace the long way home

By Norman de Mesquita

Crystal Palace 2 Millwall 1

In conditions that would have taxed an ice hockey team, Crystal Palace kept their feet and their heads better than Millwall and qualified for a third round FA Cup tie against non-League Scarborough. The pitch was treacherous and needed the simple thing to be done quickly but carefully. Defenders were under extreme pressure if required to turn quickly and the long clearance was a popular ploy.

It was one such clearance, by Johnson, that gave Crystal Palace the lead in the 15th minute. It bounced kindly for Kemp and, in spite of the illegal attentions of Kitchener and thanks to intelligent use of the advantage rule, Kemp contrived to flick the ball over the advancing Goddard with the outside of his right foot. Millwall did not take too kindly to the goal and their protests were so vehement that Evans found his name in the referee's notebook.

Twenty-five minutes later, Millwall were vainly protesting again. Kitchener handled a yard inside the penalty area and the referee pointed to the spot. Taylor took the kick and beat Goddard to his left. But there was an infringement and the penalty had to be taken again. This time Taylor beat Goddard to his right and it counted. Millwall had looked a ragged collection in the first half, but they emerged after the interval looking far more purposeful and gained four corners in the first 11 minutes. From the fourth of these, an inswinger by Saul, they reduced the deficit. Hammond lost the ball and in the ensuing melee Moore hooked it home. This inspired Millwall, and, for a few minutes, they exerted a great deal of pressure. But Palace rode out the storm and gradually regained the initiative. They were twice denied further goals by Goddard.

The final score was a fair reflection of events. Millwall's more positive approach in the second half certainly gave Crystal Palace something to think about and they were no more than one goal inferior over the whole game. The home side, though, had the outstanding player in Johnson, whose accurate long clearances repeatedly put the Millwall defence under pressure. It was his example that led Crystal Palace to adapt their game to the conditions and earn their right to a place in the third round.

CRYSTAL PALACE: P. Hammond; P. Wall, J. Cannon, J. Johnson, D. Jeffries, I. Evans, N. Chatterton, M. Hinshelwood, D. Kemp, D. Swindlehurst, P. Taylor.

MILLWALL: R. Goddard; B. Evans, J. Moore, A. Hazell, B. Kitchener, T. Brisley, A. Welsh (sub: D. Donaldson), A. Hart, P. Summerill, T. Saul, B. Salvage.

Referee: R. C. Crabb (Exeter).

Rochdale 3 Gateshead 1

Gateshead United, of the Northern Premier League, were given an object lesson in taking chances as Rochdale gained a third round tie away to Norwich City. All the non-league side could offer was plenty of fighting spirit, but this was no match for Rochdale.

By half time Mountford and an own goal by Morrison saw Gateshead two down and early in the second half Tobin effectively sealed their fate. Morrison atoned for his terror with a consolation goal two minutes from time.

Tooting and Mitcham 1 Leatherhead 1

(Abandoned after 57 min)

The Isthmian League sides, Tooting and Mitcham and Leatherhead, were forced into a third meeting when their FA Cup second round replay at Tooting last night was abandoned after 57 minutes by the referee, Alan Turvey, of Basingstoke, because of deteriorating ground conditions.

Shrewsbury best all-round in six-a-side tournament

By Norman Creek

The leading 32 soccer-playing schools took part in their annual six-a-side tournament at the National Westminster Bank sports ground at Norbury yesterday. In the morning, eight groups of four played on a league basis for the privilege of taking part in two knock-out competitions in the afternoon.

The winners of each group played for the Corinthian-Casual challenge cup, while the eight runners-up entered the plate competition. In spite of fog and frozen grounds, the games began punctually at 10 am and as a result of 48 continuous matches, the eight group winners were Malvern, Manchester GS, Forest, University College School, Bury GS, Hulme GS, John Lyon, and Bolton.

Lancashire has always held a powerful hand in this tournament —last year Bolton won the cup and QEGS Blackburn the plate— but yesterday they failed to produce a single one of the four finalists. One of the toughest groups appeared to be the one containing Shrewsbury, Brentwood, Manchester GS and Charterhouse; much of the best football in the morning was played by all those four.

The eight runners-up were Aldenham, Shrewsbury, Wolverhampton GS, QEGS Blackburn, Latymer Upper, Chigwell, Millfield and Lancing, and their first round games began immediately after lunch. Shrewsbury and Latymer won through to the final which Shrewsbury won comfortably by 4—1. Although Shrewsbury had been narrowly beaten earlier in the tournament they appeared to be the best all-round and balanced side of them.

The two finals provided a distinct contrast. In the plate, Shrewsbury, played some delightful football, always taking the ball up to their opponents. Their 4—1 victory repaid their constructive approach. In the cup final, both Forest and John Lyon appeared to be unwilling to take chances and Forest were content to win by three corners.

While most of the schools produced teams who were capable of playing possessive football, as a general rule they failed to utilize to the full the no-off-side rule, yet except for a few understandable slips on the frozen pitches, the standard of goalkeeping was high. One unorthodox goalkeeper was to be seen in the closing minutes of a game throwing all into attack and even heading the ball in the centre circle.

While the whole tournament was, as usual, thoroughly well organized, a special word of thanks is due to John Murray and his seven associates, who once again, for the seventeenth successive time in the history of the tournament came down from the Ilford Referees Society to take charge of the sixty-odd matches. Forest's winning six: Beckham, Hern, Parsley, Robinson, Humphries, and Berman.

Scots must give their new strikers support

By John Downie

Scotland and Romania complete the programme for their European championship group tonight [illegible] with a match at Hampden Park that has no function other than to tidy up the competition. Spain are already through to the quarter-finals round and Denmark have been tailed off.

But that does not prevent the new Romanian manager, Cornel Dragusin, from treating the occasion as if it were vital to the very existence of both countries. His final selection for the match, he told me through an interpreter yesterday, he would be delighted to give at 1 pm.

He had, however, opened up enough to indicate some of the probable dramatis personae in tonight's anti-climactic happening. They would, he indicated, include Dudu Georgescu, Europe's top goal scorer of last season, and it was probable that two new midfield players, Boloni and Rumila, would be tried out.

An interesting suggestion was that Radrcanu, the No 1 goalkeeper, might be left out as at 29 he was not expected to be still at his peak for the 1978 World Cup. The alternative is Iomia, 19.

By contrast Scotland, with Harvey, of Leeds United, injured, recall Cruickshank, the Heart of Midlothian goalkeeper, who is 34. He won 14 caps between 1964 and 1971, but there is now speculation that he might follow in the footsteps of Ronnie Simpson, who, having been a senior goalkeeper with a variety of clubs from his teens, came to full flower with Celtic in his late 30s. Simpson was nearer 37 than 36 when he won his first cap and well through his 39th year when he played against the League of Ireland and Austria in 1969.

Some of the selections of William Ormond suggest that he, too, is looking towards the 1978 World Cup. He has chosen new international strikers in Doyle and Gray and at full back has promoted Brownlie from the under-23 party and preferred Donachie, another recent under-23 performer, to the tried and proved McCrain.

SCOTLAND: J. Cruickshank (Heart of Midlothian); J. Brownlie (Hibernian), W. Donachie (Manchester City), C. Jackson (Rangers), M. Buchan (Manchester United), A. Hartford (Manchester City), B. Rioch (Derby County), K. Dalglish (Celtic), J. Doyle (Ayr United), A. Gray (Aston Villa), A. Gemmill (Derby County). Substitutes: T. Allan (Dundee), D. McGrain (Celtic), J. Greig (Rangers), P. Lorimer (Leeds United), E. MacDonald (Norwich City).

ROMANIA (from): N. Raducanu, M. Ionita, L. Cheran, G. Sandu, A. Sătmăreanu, D. Anghelini, Sameş, I. Dumitru, C. Dinu, L. Boloni, M. Rumila, D. Georgescu, M. Lucescu, Z. Crisan, A. Jurdanescu, N. Iliescu.

European final at Hampden Park

Berne, Dec 16.—This season's European Cup final will be played at Hampden Park, next May 12. The Cup Winners' Cup final will be on May 5.—Reuter.

Results yesterday

U-23 championship

Scotland (1) 4 Romania (0) 0

Pettigrew (3)

Brunner

T. Craig

FA Cup

Second round replays

C Palace (2) 2 Millwall (0) 1

Kemp Moore

P. Taylor 18,954

Winners away to Scarborough.

Rochdale (2) 3 Gateshead (0) 1

Mountford Morrison

Morrison (og) 2,607

Tobin

Winners away to Norwich City.

Tooting & M (1) 1 Leatherhead (1) 1

Juneman (pen) Cooper

1,500

Abandoned after 57 minutes because of bad ground conditions. Replay at Tooting next Monday. Winners away to Swindon Town.

SOUTHERN LEAGUE: Cup: (third round): Bognor 0, Gravesend 0; Cambridge City 0, Wealdstone 0. Premier division: Dunstable 2, Tonbridge 0. First division (North): Corby v Bedworth (postponed); Wellingborough 0, AP Leamington 1.

NORTHERN PREMIER LEAGUE: Morecambe 0, Great Harwood 1; Lancaster 0, Macclesfield 1; Runcorn 0, Skelmersdale 0.

ISTHMIAN LEAGUE: First division: Slough Town 3, Oxford City 1. Second division: St Albans 1, Boreham Wood 0.

Rugby Union

TOUR MATCH: Glamorgan 18, Australians 31.

CLUB MATCH: Bristol 17, Moseley 0.

SCHOOLS MATCHES: King's Ely 3, Woodbridge 29; Loretto 6, Old Lorettonians 17; Skinners 4, Pocklington 15.

RUGBY LEAGUE: Floodlit competition: Final: St Helens 22, Dewsbury 2.

Today's fixtures

European championship

Scotland v Romania (at Hampden Park, 8.0)

FA Cup: Second round replay

Hereford v Bournemouth (7.30)

SOUTHERN LEAGUE: Cup: Third round replay: Yeovil v Dorchester (7.30); First division (north): Bury Town v Stevenage (7.30).

RUGBY UNION: John Player Cup: First round: Northampton v Bedford (7.15). Club matches: Ebbw Vale v Cross Keys (7.0); Surrey v United Hospitals (Esher, 7.30); UAU v Public Schools Wanderers (Cheltenham, 7.0).

HOCKEY: London University v Broxbourne (Motspur Park, 2.30); Services knockout tournament (Portsmouth).

Cricket

W Indies polish off six remaining Australian wickets in 90 minutes

From John Woodcock

Cricket Correspondent

Perth, Dec 16

"A spectator's dream" was how one of Perth's senior citizens described the cricket played by the West Indians in the second Test match, which they won here today by an innings and 87 runs. It took West Indies only 90 minutes to collect the six remaining wickets in Australia's second innings, and that in spite of their losing Holding with a groin strain in only the third over of the morning.

The sponsored award to the player who was reckoned to have made the greatest contribution to the game was given to Fredericks for setting up the West Indian victory. Almost equally well it could have gone to Roberts for consummating it. When, today, Roberts had Marsh caught at the wicket, he had removed the first seven batsmen in the Australian order for 34 runs in 12 overs, with bowling that was as ruthlessly accurate as it was devastatingly fast. In this match, though it will not necessarily be the same for the rest of the series, Thomson and Lillee were outbowled by Roberts and Holding.

The natural comparison with Australia's second innings is England's batting out here a year ago. The two were strikingly similar. Of the 10 Australian wickets to fall, seven went to catches at slip or by the wicketkeeper, and one to a catch at backward short leg off a bumper. Rather than last season's ring of vultures, vastly confident, consisting of the Chappells, Redpath, Walters, Mallett and Marsh, it now comprised Rowe, Greenidge (as substitute for Kallicharan), Lloyd, Richards, Gibbs and Murray. In place of the green caps there were red ones.

The Australians were playing the same strokes as brought the downfall of Denness's side, and for much the same reasons. In the end even the Chappells were caught at slip, psychological victims of the short, fast bowling. Greg was the first to go today, after he and Marsh had suggested for half an hour that they might make West Indies sweat a bit, especially with Holding off the field. This was a straightforward catch to Rowe at first slip, following perhaps a mildly apprehensive stroke by Chappell. In the same over Marsh had twice been rapped on the wrist by short-rising balls from Roberts, blows which would probably have needed repairs to less tough an egg than Marsh.

Off the first really nasty bouncer that he received Gilmour cocked up a catch to backward short leg, off the handle of his bat. Walker looked as likely to get out to any ball as he proved immovable against England 12 months ago. It was, in fact, his sixth ball that he edged to second slip. Another bouncer accounted for Marsh, caught at the wicket as he tried to hook. Greg Chappell had batted for two hours 40 minutes without hitting a four: that is how concerned he was to survive. Marsh was in for two hours and a half. Lillee lasted being caught at fourth slip, a fine catch by Lloyd. Taken in front of his face.

That was 146 for nine. For the next 20 minutes Thomson and Mallett, as tailenders often do at the end of an innings of this kind, made some fairly meaningless runs in a fairly unorthodox manner. From Roberts, Thomson received a dose of his own medicine; he swatted at anything short as though it was a wasp he was trying to get away from. Half an hour before luncheon Thomson was yorked by Julien (whose good fortune it was to be asked to replace Holding) and for the first time in their history West Indies had beaten Australia by an innings. In 37 Tests between the two countries this was only the seventh victory for West Indies. As for Roberts's figures (14—3—54—7), they are the best ever achieved by a West Indian against Australia. Until now only Gerry Gomez, at Sydney in 1951-52, had ever taken seven Australian wickets in an innings.

Roberts on his way to beating record at Perth yesterday.

Had they not become overexcited in their second innings at Brisbane, after reaching 248 for three, West Indies might be two matches up by now. As it is there is still everything to play for. One or two Australian heads are already being called for, though with Walters likely to be unfit for the next two Test matches I doubt whether they will be forthcoming. West Indies cannot expect to have things so much their own way in the next Test match starting on Boxing Day. The best part of 300,000 people will probably watch the match. Here at Perth the total attendance was barely 60,000.

At Melbourne, on a slower pitch, there is unlikely to be as much short bowling as there was here. In Australia's second innings Roberts and Holding bowled as many bouncers in an hour as on Perth is "the" breeding ground of the bouncer. Julien, bowling at a brisk medium pace, pitched the ball well up. He had a good match, with five wickets, two catches and a share of an opening partnership of 91; and Julien, contributing, makes all the difference to the balance of the West Indian side. With their longest tail for years Australia are the side now lacking in all-rounders.

It has been, then, a dazzling week, albeit a disastrous one for Australia. When I suggested to Patrick Eagar, who takes such oustanding photographs of cricket, that he must have found the brightness to his liking, he said that with the sun so high in the sky, and the West Indians so hidden under hats and caps, he was afraid that one dark face might look much like another. Which they certainly won't to the Australian batsmen. To them none will look so menacing as Roberts, the most accurate fast bowler since Statham and a less gentle opponent.

One great innings by Fredericks, two more not far behind it, by Chappell and Lloyd; the favourites beaten out of sight; some memorable fast bowling by Roberts; some unwonted lapses in the field by Australia; the clash of outstanding talents; some thrilling West Indian throwing; the most savage display of hooking by the West Indian batsmen that you could ever wish to see: no wonder the match was described as a "spectator's dream". For the growing West Indian community in Perth—there are now 300 of them here—no doubt it was also a dream come true. For an uncommitted correspondent it stirred memories of a year ago, reassuringly in a way, for the fact that it was Australia who were making the mistakes and not England.

AUSTRALIA: First Innings 329 (G. Chappell 156).

Second Innings

A. Turner, c Fredericks, b Roberts	13
I. M. Chappell, c sub, b Roberts	20
*G. S. Chappell, c Rowe, b Roberts	43
I. R. Redpath, l-b-w, b Roberts	0
†R. W. Marsh, c Murray, b Roberts	39
G. J. Gilmour, c Fredericks, b Roberts	3
M. J. Walker, c sub, b Julien	3
D. K. Lillee, c Lloyd, b Julien	0
J. R. Thomson, b Julien	9
A. A. Mallett, not out	18
Extras (b 14, l-b 2, n-b 1)	17
Total	169

FALL OF WICKETS: 1—0, 2—25, 3—45, 4—45, 5—124, 6—128, 7—132, 8—142, 9—146.

BOWLING: Roberts, 14—3—54—7; Holding, 10.6—1—53—0; Julien, 10.1—0—32—3; Boyce, 2—0—8—0; Gibbs, 3—1—3—0; Fredericks, 1—0—2—0.

WEST INDIES: First Innings 585 (R. C. Fredericks 169, C. H. Lloyd 149).

FIRST TEST (at Brisbane): Australia won by eight wickets.

REMAINING MATCHES: Third Test: December 26 to 31, at Melbourne; fourth Test: January 3 to 8, at Sydney; fifth Test: January 23 to 28, at Adelaide; sixth Test: January 31 to February 5, at Melbourne.

Rackets

Clarke wins with less style and more mobility

By Our Rackets Correspondent

The schools rackets competition which began at Queen's Club, yesterday, has drawn a record total of 140 players for the three singles events including the H. K. Foster Cup, restricted to the top 16.

The competitions began with the colts and the general standard was encouraging. Another member of the Cowdrey clan, Jeremy, (Tonbridge) was the first seeded player to be beaten, losing to Peter Clarke (Malvern), by 15—7, 15—10 in a match containing plenty of rallies.

Cowdrey's style was similar to that of his father, Colin, and elder brother Christopher, but his judgment was that of a batsman trying to half volley rather than volley a slow bowler. Clarke with less style but more mobility, hit harder. Having lost three match points, he was intelligent enough to think of something different and he aced Cowdrey on the fourth with a hammer service.

Another seeded player, Julian Paul, a member of a Harrow rackets playing family, showed the qualities of determination and aggression while beating Michael Hough (Winchester), by 18—16, 15—5. Hough, wearing traditional long whites and shirt sleeves buttoned up at the wrists, hit some lovely half volleys. He is a natural player without being quite tough enough to contend with his opponent.

COLTS (Incledon Webber Cup) First round: A. G. T. Penner (Radley) beat B. D. Muir (Clifton), 15—1, 15—4; J. C. Snurling (Tonbridge) beat R. Wordie (Winchester), 15—7, 15—6; C. R. Fuente (Tonbridge) beat R. D. Reynish (Malvern), 15—1, 15—6; C. J. Arnold (Rugby) beat D. Vickerstaff (Malvern), 15—12, 15—5. Second round: H. Akerman (Harrow) beat J. L. Crane (Rugby), 15—3, 15—2; R. J. K. Paterson (Wellington) beat N. Atkins (Marlborough), 15—11, 17—14; J. L. Chaplin (Rugby) beat J. P. Mordaunt (Marlborough), 15—0, 15—0; J. H. C. Mallinson (Wellington) beat R. W. Evans (Winchester), 15—11, 9—15, 15—10; D. J. D. Gray (Tonbridge) beat C. Matterson (Charterhouse), 11—15, 15—3, 15—11; P. Clarke (Malvern) beat J. C. Cowdrey (Tonbridge), 15—7, 15—10; M. J. L. Paul (Harrow) beat M. J. Hough (Winchester), 18—16, 15—5; C. Mole (Charterhouse) beat J. Robinson (Marlborough), 11—15, 15—7, 15—1.

Tennis

SYDNEY: Men: K. Rosewall (Australia) beat P. Campbell (Australia) 6—3, 6—7, 6—1; R. Case (Australia) beat P. Hagelauer (France) 6—3, 4—6, 6—4; B. Fairlie (New Zealand) beat H. Brittain (Australia) 6—4, 6—7, 6—1; J. Marks (Australia) beat R. Lewis (GB) 6—3, 5—7, 6—4; J. Soars (US) beat J. Smith (GB) 7—6, 7—5; H. Elschenbroich (West Germany) beat T. Rocavert (Australia) 7—6, 7—6; J. Lloyd (GB) beat U. Marten (West Germany) 6—4, 6—2; J. Kukal (Czechoslovakia) beat Raz Reid (US) 4—6, 6—3, 6—3. Women: H. Eisterlehner (West Germany) beat H. Gourlay (Australia) 6—3, 5—7, 6—1;

Boxing

Stracey may defend title at Wembley against Arcari

By Neil Allen

Boxing Correspondent

John H. Stracey may make the first defence of his world welterweight boxing title against Bruno Arcari, of Italy, at the Empire Pool, Wembley, on March 16.

From Genoa yesterday Arcari's manager, Rocco Agostino, said that he had received an offer of £20,000 from London to make the challenge. Mr Agostino added that Monte Carlo was also a possible scene for this world championship but was certain there was no chance of the match being staged in Italy where boxers are rarely offered such large purses.

Arcari, who is 34, won the World Boxing Council's version of the world light-middleweight title six years ago from Pedro Adigue, of the Philippines. Now he is campaigning down a division, as a welterweight. Three months ago Arcari went to Tunis and weighed 154lb, 7lb over the welterweight limit, for a contest in which he knocked out David Love, of California, in the fifth round. Reports stated that Arcari "laboured heavily" before the finish but he is now supposed to be shedding weight fast.

In last month's world ratings, published in the British weekly magazine *Boxing News*, Arcari was ranked fifth at welterweight. It might seem logical for Stracey, recognized as world 10st 7lb champion by the World Boxing Council following his defeat of José Napoles, of Mexico, to meet Angel Espada, of Puerto Rico, who has the backing, as title-holder, of the World Boxing Association. But Arcari has a less impressive record than Espada and neither Harry Levene, the Wembley promoter, nor his matchmaker Mickey Duff, are likely to want to take the chance of getting Stracey knocked off his perch by someone like Espada. Besides, it is cheaper to bring a challenger from Italy than from across the Atlantic.

If professional boxing is to continue at the Empire Pool, and serious doubts about that were expressed this week by James Harvie-Watt, the managing director of Wembley, then Stracey, the new "golden boy", is badly needed to top the bill there. A conclusive victory over Arcari could do much to bring back the spectators so noticeably absent from the last two Wembley promotions.

The official inquest into the heavyweight contest at the Royal Albert Hall last month in which the American heavyweight Krueger was knocked out in three rounds by Richard Dunn produced no cut-and-dried verdict, but a warning of fines for future sub-standard performances.

The British Boxing Board of Control said that they were satisfied with Krueger's previous record and his medical fitness but were not satisfied with his standard of performance.

They asked the matchmaker and promoter concerned to take greater care in future. In addition, the board announced its intention itself of taking further steps to establish new, reliable contacts in the United States.

Pat McCormack, the Dublin born Brixton welterweight, who was knocked out in 13 rounds by Pat Thomas of Cardiff for the vacant British welterweight title on Monday will have one more contest and then retire.

Bloodstock sales

Shuffling at 4,000 guineas best on disappointing day

Low prices at the final bloodstock auction of 1975 at Ascot yesterday continued to reflect the decline in the industry. Despite the obvious lack of interest an undisclosed cash purchaser paid 4,000 guineas—the top price of the day—for Shuffling.

This four-year-old son of St Chad won nine races for Brian Lunness the Newmarket trainer. He ran up a sequence of five successes in 16 days towards the end of 1974 and should make a useful hurdler.

Jack Doyle, a Dublin agent, paid 3,500 guineas for a three-year-old former Irish handicapper, Master Skipper, on behalf of a new patron of Frank Muggeridge.

Peter Calver, a trainer and veterinary surgeon, went to 2,150 guineas to secure the four-year-old mare Nelodor. Calver, who has won with Doo'Cot Park (now with David Morley) and Cabar Feidh this season thinks Nelodor will prove an equally good prospect.

A United States rugby fifteen could make a short tour of England in 1977

American Rugby Union is on the march

By Peter West

Rugby Correspondent

The recently formed national Rugby Football Union of the United States will play an international against Australia, on the way back from their tour in Los Angeles on January 31, and it is on the cards that the United States will be making a tour of England perhaps by 1977-78. Dennis Storer, chairman of the national coaching committee in America, who is here on a brief visit, believes the RFU will be ready to issue an invitation for a short tour when the United States Union itself feels ready for it.

Storer is an English member of the PE and sports faculty at Los Angeles University with a rugby background of Leicester, Blackheath and Loughborough Colleges, Blackheath and [illegible] a most successful coach) Highgate Grammar School. He has yet to run his rule over some of the best players in the States and makes no bones about the difficulties of raising a representative side from the four big territorial unions spread over huge distances and all with a playing season at different times of the year. The longest of these, Pacific Coast, plays from November to April. Mid West (Illinois through Kansas down to St Louis) is active from May to September. Eastern (New England down to New Orleans) functions from April till June and again from September to November. Western (the Rockies through Utah to Texas) is different again.

All four unions are sending their 15 best players for trials in Los Angeles before the Australians arrive and it will be apparent that if all the regions are to be represented in the United States team—and that is the worthy intention—there is no prospect of all the players being match fit. Some of them will not have played for three months.

However, all the players have guaranteed to take a week off, and there will be no lack of enthusiasm or dedication. "Rugby Union", says Storer, "is the perfect sport for a highly competitive society. The Americans like physical contact; they like to be aggressive. It's an anti-establishment game in their country and it gives them scope for flexibility and initiative."

Storer lists the strengths of American rugby as including a remarkable, though not classic, handling capacity; aggressive running; outstanding lineout ability (by two-handed jumpers brought up on basketball); the ability to change direction and to attack out of defence, with pinpoint torpedo throws of up to 60 yards; and devastating tackling. "The tackling is often high and not always well timed, but an opponent usually knows all about it. In the States you don't so much as tackle as 'stick' an opponent, which is their way of saying they're going to knock you backwards."

Against all this, there is a general lack of "feel" for the game, which is not surprising seeing that some of their best performers have been playing for only a short time; positional sense is limited; distribution is not done quickly enough: there is not enough consistent support play; and, through lack of experience, there is a want of technique in scrummage, ruck and maul.

At the moment no one begins playing rugby until he goes to college or joins a club side at around the age of 18. This is one big handicap, although a national schools and youths committee has been formed, and some schools' rugby is starting in the East and the Mid West. Another is the game has yet to make an impact such as to attract enough of the best young athletes.

It has, however, produced an outstanding No 8 for UCLA who is 6ft 4½in, weighs 16st 2lb and does the 100 in 9.8. Storer thinks he might be persuaded to come to England for postgraduate study. I dare say, now that a more enlightened view obtains at Oxbridge, that he would not go short of offers. I gather that American packs are big ones, and that they can all run.

Storer estimates there are now something like 25,000 Americans playing our brand of rugby. The total has probably doubled in the past decade. There are a few "establishment" clubs run on British lines with more than one XV. But, because all Americans want to play in the first team, most clubs have a squad of about 25 players that feeds just one side. There is no top class rugby week in, week out. Hence the great popularity of American tournaments which can attract up to 64 teams and provide everyone with the chance of meeting the best opposition.

The oldest, and probably the most respected of these is the Monterey national tournament played on a polo field overlooking the Pebble Beach golf course. The Barbarians are going to the Boston tournament next May. The Cherry Blossom, in Washington, and the Mardi Gras, in New Orleans, are other popular affairs.

When United States play Australia, it will be their first Rugby Union international for almost half a century. They beat France in the Olympic final in Paris in 1924, and four years later did so again in Amsterdam. Their return to the scene will take place at Anaheim, the home of Disneyland, just outside Los Angeles, in a baseball stadium with a capacity for only 10,000 spectators but providing, unlike American football arenas, the essential width for a rugby pitch.

When the California state side (known as the Grizzlies) toured New Zealand in 1972, they drew with Auckland and lost narrowly to Otago, the Maoris and Poverty Bay. That sort of record suggests that American Rugby Union is on the march, and Ross Turnbull, the Australian manager who toured California with the NSW country team last year, will not, I suspect, be encouraging his men to take things lightly on January 31.

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…nly the lean, tough and competitive can …rvive in motor industry of future

…e of Commons
… VARLEY, Secretary of State …ndustry (Chesterfield, Lab), …ng a debate on the motor …ry on the motion for the …nment, asked: What kind …bour Government would we … some 60,000 jobs did not …?

… jobs were not the only … On the one hand it could … been argued that it made … to let the Chrysler Company …nder, since its long-term … was in serious doubt. It …ssible to point to the re… …n the future of the British …lustry by the Central Policy … Staff, published today, … indicated over-capacity in … production, and to say …n let Chrysler go was a … opportunity of ridding the … of that over-capacity.

… arguments to the contrary … that the best way to deal …over-capacity was through … slimming down rather than … amputation of one limb. … were several arguments for …g a substantial Chrysler …e in Britain. The Iranian …t was an important symbol …rseas customers of deter…n to fulfil large-scale … There was the general …nt about the danger to the …'s industrial future if …cturing capability was … eroded.

…mplete or partial merger …British Leyland was con… by the Government care…d in detail and was found …mpracticable. The alterna… … a partially state-owned …r Company was clearly out … question.

… now moved forward on this …sis, having seriously taken …count the formidable body …idence and information …ed in three key documents, …der report on British Ley… the report of the Trade …dustry Sub-Committee and …RS report. The White Paper …be published.

… CPRS report did not com…e Government, but they accepted some of its arguments.

The report described the likelihood that the European car assembly industry, which faced considerable over-capacity at the present time, would remain in a fiercely competitive situation for the coming decade.

It was essential to improve productivity within the car industry, and there must be a better relationship between the shop floor and management, together with less constant interruptions and smoother production. That was their aim, and they would repeat it over and over again when they talked to the work force.

The Government plan involved substantial improvements in productivity, but there would be some redundancies. They would monitor the stages of financial assistance made available to Chrysler, and this could be done through the government directors to be appointed to the Chrysler UK board.

The CPRS report emphasized the importance of economies of scale and the need for capital investment for new models and some modernization of plant. Chrysler UK was obviously too small to operate viably on its own.

Planning agreements would cover action to increase productivity, and basic to the achievement of these targets would be a change in the outlook between management and labour on the shop-floor. This battle was a battle for the future of the British volume car industry.

Steps were being taken within the next few hours for a meeting with some of the representatives of the workforce from the Chrysler plant so that the Government could go over the situation with them and explain precisely their plans and hopes for the company.

It would be a battle for Chrysler and British Leyland; money could not be invested year after year in new models and new plant if productivity failed to improve.

The diagnosis of the industry's problems was strikingly similar in the three reports they had received. While there was divergence on some of the remedies, the reports agreed that there was a future for the British industry if decisive steps were now taken. There were striking and alarming comparisons of productivity between British car workers and their Continental counterparts.

From time to time all parties, successive Governments managements, workforces and the unions were blamed for the problems of the British motor car industry. Whatever the reasons, the debate should be regarded as a new starting point. With the help of the study by CPRS, all concerned were better equipped to understand the nature of the task ahead for British Leyland and for the car industry as a whole.

The successful outlook for British Leyland was not simply in the interest of the Government, the National Enterprise Board or those who worked there. It was a matter of vital interest to everyone and to all who represented the car workers. The common thread to the reports which had been published this year was the central significance of the health of the car industry to the economy of the country.

The current year had presented the industry with some of the most difficult trading conditions experienced for many years. During that period, British Leyland had continued the process of bringing about the planned and orderly reduction in manpower. Since January, 1974, manpower had been reduced by 28,500 and a large proportion of those redundancies had taken place since the publication of the Ryder report.

While that reduction could not be regarded as an achievement in itself it had been a necessary precondition to maintaining employment for the remaining 154,000 workers.

British Leyland had achieved an average share of 31.1 per cent of the home car market in the first 11 months of the year and that included several months of unusually high achievement as well as the relatively disappointing figure of the past two months when low levels of stock had severely affected the position of the company.

As the CPRS report had pointed out, what was needed in the British car industry was a fundamental change of attitude among all those employed in it at all levels. The Ryder report saw the need for such a change and was the root of the recommendation for joint councils and joint committees.

There would be friction and problems in bringing about that change in attitude. The management and unions at British Leyland had been involved in lengthy and complex negotiations in the application of industrial democracy.

During the year British Leyland had continued to account for half Britain's exports of completed cars. In particular, exports to the United States had flourished. In the financial year up to October, British Leyland was running at 36 per cent above the previous year. There had been positive achievements in the first few months but there was no need to be complacent.

In the next few years (he said) only the lean, tough and competitive in the motor industry can hope to survive. Difficult adjustments will have to be made. Excess capacity can no longer be carried.

But I hope that amid all the traumatic events of the last few months and weeks, right from the start of the deep troubles in which British Leyland fell, we do not decry the positive contribution to our economy made by our motor industry. We take too much pleasure in this country in picking out all the worst features in our industrial scene but we should draw attention to the massive capabilities and skills and the magnificent success of some of our industry.

The last seven weeks (he continued) have been, in some respects, the most difficult seven weeks of my life. The thought of 25,000 workers, and probably just as many indirectly employed in the motor vehicle industry, being unemployed was a daunting thing and haunted me day and night.

…nic deal a triumph for …r Riccardo but …miliation for Britain

… HESELTINE, chief Opposi…pokesman on industry (Hen…) said the question was no … one of choice but of timing. …would either, of their own …gin the battle to encourage … or adjustment or it would …ed upon them.

… Secretary of State's case was …sible. Today's announce… would prejudice job pros…n this country. The plans … not ensure a viable future …hrysler UK. They would … the balance of payments …rease public expenditure.

… CPRS report and the select …tee report were models of …rt of things that the House … be discussing. They talked … British industry as it was.

…one (he continued) escapes …nalysis, least of all those of … the House who must in the … sort bear the responsibility …decade or more in which by …es, by action, by omission …ve fostered a climate in … the problems set out in the … have grown steadily more … Whether it is the fault of …anagement or the workers …ame is spread thickly. In the … of sanity our task should be …n from them and begin the …s of correction.

…t Mr Varley was doing was …ving one set of jobs, unvi… jobs, at the expense of …r set of jobs, productive … and he was doing it for …al reasons.

…Chrysler and British Leyland … to fight for their market … using taxpayers' money to …rt the super deal concept, … was that going to do to Fords …auxhalls? The repercussions … be felt beyond Fords and …alls.

…ess the Government were … to increase their massive …wing requirement even fur… the rescue operation would … to be financed by increased …on. Other workers would lose … jobs simply because Chrysler …rs were crucial to Labour … in Scotland.

…h month 37,000 men and …n were joining the dole …; 28,000 workers had lost … jobs in British Leyland, and … steel industry 40,000 workers …een told they would have to … There was to be a massive …own on the railways.

… this situation the Government … selected 12,000 Chrysler …ers for special treatment. … had been selected because the …rnment had done what they … done in every preceding …—lost their nerve. The …,000 unemployed could not …rstand why 12,000 people who … no more economically signif… than they were, could get …m of public money.

…e Prime Minister (he said) …talk of the Dunkirk spirit, the …cellor of the Exchequer may … to trade in his medals and the …etary of State has his fallen …es. If only the Government … less of the language of the …ches and more of the courage, …would at least start fighting our … out.

… propping up Chrysler Mr …ey had provided one more rea… to destroy the sense of urgency …led to achieve even that modest …er. He was sapping the morale …he strongest in pursuit of the …porary respite of the weakest.

In reality the Government's decision rested not on jobs or imports. It rested on political fear. That was what the Opposition believed, what Mr Varley believed, and what all Labour MPs knew to be true.

The Chrysler deal was negotiated by one minister behind the responsible minister's back. It was negotiated in panic as a response to a political not economic judgment, a deal that in its simplest form was a personal triumph for Mr Riccardo and a national humiliation for this country. (Conservative cheers.)

The one man to emerge triumphant from this sorry affair was Mr Riccardo. His position had been acute and simple. His United Kingdom company was going to lose £40m next year. In addition it needed the injection of a vast capital sum. He could not countenance either proposition. What options did he face? He could allow the United Kingdom subsidiary to go bust, the pistol at the head argument.

That solution would in theory be cheap but it was unthinkable that a major company in his position would ever actually do it. That was not a realistic option whatever may have been said. If the Government believed it they had no one but themselves to blame for their naivety.

Alternatively, he could have put the United Kingdom subsidiary into liquidation, paid off the creditors and withdrawn. But that would have left him with little change out of £100m next year. So the cheap options were narrowing. He could see only one. As he looked anxiously around the world for money he saw the endless gaping purse of the British taxpayer. (Conservative cheers.)

In the deal announced today the only cash Mr Riccardo had to find next year was £10m to improve Ryton. The Government would pay off one third of his workforce and lend him enough money to help out until the United States market gave him a chance to sort out the situation at his leisure.

Mr Riccardo was alert. The admiration the Prime Minister had for that alertness would be paid for by British taxpayers' money and workers' jobs.

Mr Riccardo (he said) is known as the flame thrower. He has certainly burnt up the British Government and the British taxpayer. (Conservative cheers.)

The euphoric description with which Mr Varley described what was happening in British Leyland was credible only to a Government totally divorced from the newspapers, from informed comment, from the CPRS report and from anyone else who had the first idea of what was happening in the factories of British Leyland. There had been more strikes since the rescue than in the equivalent preceding period.

The party that came to power as the champion of national sovereignty to protect Britain from the imaginary threat of European nations showed themselves unable to withstand even the blustering of a single American multinational company. Mr Varley might believe he owed a loyalty to the Prime Minister but he would come to realize that £160m was too high a price to pay for so illusory a debt.

The Opposition would vote against a politically inspired deception against the British people.

Jobs must be saved but public equity should accompany public money

MR RICHARD WAINWRIGHT (Colne Valley, L) said the CPRS report made the crucial point that there were at least three too many car assembly plants in this country. Yet, in the face of that clear recommendation, well supported by a wealth of evidence, they were proposing to try to save for at least a couple of years or until the next election all the assembly plants of Chrysler UK.

MRS JUDITH HART (Lanark, Lab) said she had many serious criticisms but was with the Government in saving the jobs at this point. They were all concerned with achieving industrial success. It was not their aim to invest in industrial failures. That meant they had to gear production to the market and make what they could sell.

They should make things they could sell. Why could they not use the labour, the equipment, the investment put into Chrysler and British Leyland and gear themselves, not with pessimism but hope to doing the job properly, making things efficiently, getting a better relationship between workers and management, and making a success of the motor vehicle industry?

The attitude of the CPRS report was to say: "There is only going to be a limited demand for motor vehicles, we have not been good at it so let us withdraw." What sort of attitude was that for the British Civil Service? She hoped the Government would not accept the advice of the report.

Concerning Chrysler there were many anxieties. Hers was a deep anxiety that money was being put in in this way without public equity and public control. She would have thought the logical answer would have been public ownership, relating it to British Leyland and seeing what they could make of the whole enterprise.

She would vote with the Government today and tomorrow but hoped that as the weeks went by they would see some satisfaction being given to the intense feeling of labour MPs that public money should be accompanied by public equity shareholding. (Labour cheers.)

MR HILARY MILLER (Bromsgrove and Redditch, C) said the Government had got to come clean on the long-term future of Chrysler and how it related to the rest of the industry.

MR DUFFY (Sheffield, Attercliffe, Lab), chairman of the Commons expenditure committee which examined the motor industry, said that Government, management and labour must all share the blame for the present state of the motor industry.

Because of the rate of growth of the economy exports were essential to the survival of the motor industry. It seemed that some managements had failed to grasp this nettle. British management had bemoaned official interference to the detriment of getting on with the job of designing, producing and selling cars.

The unions were not free of blame. The multiplicity of unions had led to interunion rivalry which had helped to make a bad situation worse. Much too frequently a strike had been part of the negotiating procedure. The strike record in the car industry was a sign of the weakness of union organization, not of its strength.

My committee (he said) intend to conduct their investigations of the Government's plan for Chrysler UK looking particularly to see to what extent they are getting value for money.

We plan to hear oral evidence from all the principal actors in this particular drama and will be happy to receive written evidence from any organization or individual who wishes to submit it.

Mr Varley was invited to give evidence.

MISS HARVIE ANDERSON (East Renfrewshire, C) said that she supported the rescue operation, although she was highly critical of the expenditure of the money and doubtful to what extent it would bring the required result in the long term. It was questionable whether suitable arrangements had been made to monitor or control that money. There should be a serious examination of things that had gone wrong—quality of the product, delivery dates, productivity rates, overmanning and industrial relations.

MR PARK (Coventry, North-East, Lab) said this was not an industry which responded well to examination by statistics. The choice of a car was a highly individual one. It was not always related to reason or facts, otherwise some MPs would not be driving the cars they were. The aid was a declaration of faith in the workers and management of Chrysler. It was a courageous decision in the light of conflicting circumstances.

MR WELLS (Maidstone, C) said those people who worked hard and made a profit in Maidstone were going to be made redundant to stave off the Scottish National MPs. The Government were going to kick his constituents in the teeth to keep people in Linwood, who had never been loyal to Chrysler, in jobs.

MR MADEL (South Bedfordshire, C) said he hoped the expenditure committee would call for witnesses from Chrysler to see if there would be a viable Chrysler operation now the Government had agreed to go hand in hand with the company.

MR HUCKFIELD (Nuneaton, Lab) said they must move towards the definition of a strategy for the British car industry. This was rather a patched-up, botched-up agreement. He doubted if Chrysler was big enough to compete in the kind of market it was engaged in, but if it were to pull out about 70,000 jobs could be lost.

He was worried that in a year or two Chrysler could say they were making United Kingdom losses, that they were under pressure from their United States bankers and that they must consider the option of pulling out.

MRS AUDREY WISE (Coventry, South-West, Lab) said it would get easier for Chrysler to hold a pistol at the Government's head. It was not a pistol but a machine gun.

MR VIGGERS (Gosport, C) said he was a former company solicitor with Chrysler. Chrysler made a decision in 1969 not to make a new model in Britain. The Government were proposing to use taxpayers' money to do what Chrysler in their wisdom had decided not to do.

…eclaration 'a sell-out'

…R BUCHAN (West Renfrew…e, Lab) said that if the Govern… …t had not acted to save jobs, … men in Chrysler would have …ed and he would have backed …n. If Chrysler had gone it alone …wood would have closed tomor… … The Cabinet were to be …plauded for the rescue.

…We are (he said) in a deep crisis, … it is not just a crisis of …rysler, and there are no means … solving it until we take power …m those small groups who con… … the fate of man and bring it …o our own hands.

…SIR JOHN EDEN (Bourne…outh, West, C) said Mr Varley …sted his case for his policy on …os saved. Sooner or later, the …ice to be paid for saving them …d to be faced. There were harsh …ssons to be learnt, which were …fficult enough to learn as it was, …id the Government, in taking …cisions of that kind, were making … almost impossible for the people … realize the truth and to accept …ality.

…MR MOONMAN (Basildon, Lab) …id the tragedy of the Chrysler …tuation was that the company had gone right to the front of the queue and got exactly what they wanted when other and smaller companies without the muscle to jump the queue had to do without. He was worried because the Government seemed to be departing from their policy and propping up an ailing motor manufacturing company not even owned by British shareholders. There was a widespread feeling that any money put into Chrysler would go straight into the pockets of American shareholders. The Government were putting at risk their credibility in industrial relations.

Chrysler would be saved only at the expense of other companies in the industry. The Cabinet had been faced with a harsh decision but had been intimidated and overwhelmed by events. They had certainly been impressed by the overstated political implications of the closure of Linwood. Above all they had been intimidated by Mr Riccardo.

The Chrysler declaration of intent was the most scandalous piece of paper the company had negotiated with the Government. It was a sell-out. Chrysler and must put the greatest strain on other motor companies.

Government majority 25

MR TOM KING, Opposition spokesman on industry (Henley, C) said the implication of the investment programme in Leyland was that Leyland would generate out of their earnings half the money needed for the investment. They were said to be running on that track at the moment. Could anybody believe they were going to produce £1,400m of the £2,800m required for the investment scheme? Was it realized that to achieve the objective they would have to become by 1985 the most profitable car company in Europe?

The Chrysler declaration of intent was amazingly vague. There appeared to be no real commitment and nothing to stop Chrysler upping sticks in a year or two depending on how the market went. The seriousness of the declaration of intent was that it spelt out how the damage would be done.

MR WILLIAM ROSS, Secretary of State for Scotland (Kilmarnock, Lab) said he wondered what the Conservative reaction would be if the Government had said Chrysler would be … and that the Government were going to do nothing about it. What would be the attitude of the Scottish Conservative MPs? Every one of them would have been protesting.

We either have the plan before us (he said) or we accept the fact that nearly 60,000 jobs go directly and indirectly, including 12,000 jobs in Linwood.

The Opposition had advocated the liquidation of Chrysler and Mr Heseltine's speech had lacked humanity. If the Government followed their advice they would be filling the country with foreign cars. The costs involved in the Government's action were as nothing compared with what they would have to pay out if the Tories had their way. They ignored the effect on the balance of payments, jobs and business.

The Government had not put Chrysler at the front of the queue. Events were forced upon them and they had to deal with them with humanity and efficiency. He was satisfied they would get the good will of the whole motor car industry. Without it there was no hope.

The motion for the adjournment was rejected by 285 votes to 260—Government majority, 25.

Fact-finding study of coursing proposed

House of Lords

LORD HARRIS of GREENWICH, Minister of State, Home Office, moved the second reading of the Hare Coursing Bill which makes hare coursing illegal and provides penalties for a breach of the law.

He said it was the second time in only six weeks that he had introduced such a Bill. The present one was identical with the Bill which the House agreed should have a second reading on November 7 last.

LORD SHEPHERD, Lord Privy Seal, said that he recognized there was a genuine feeling that far more information was needed. He was therefore willing to agree with a proposal from Lord Denham (C) that if the Bill was given a second reading it should be referred to a Select Committee. It would be the first time since 1917 that a Government Bill had been sent to a Select Committee.

That would not be a tactic to delay the Bill for a long period, and after consultation he would set a date by which the Committee should complete its deliberations and produce its report.

The EARL of MANSFIELD, for the Opposition, said he was grateful for the proposal. There was a sincere division of opinion in all parts of the House.

LORD DENHAM (C) said that if the Bill was given a second reading there should be a Select Committee to look into hare coursing so that the record could be put straight. Supporters of hare coursing could demonstrate that they were not the sadistic monsters some of their opponents made out.

The EARL of KIMBERLEY (L), President of a coursing club, said the issue had been shrouded in mystery and fog, much of it intentional. Ignorance played a large part in the opinions of those who wanted to abolish hare coursing and other field sports.

LORD SOPER said hare coursing was an evil so-called sport. The churches unanimously opposed it. It was a rotten habit which should be rejected.

LORD DIPLOCK, Lord of Appeal, said the Bill would make a tiny minority of country people into criminals for doing something which they did not regard as cruel or morally blameworthy on their part. Only 1,600 people were members of the coursing clubs affiliated to the National Coursing Club.

The DUKE of MARLBOROUGH, president of a coursing club, said it seemed amazing to him that most of the supporters of the Bill in the Lords and Commons did not appear to have attended a coursing meeting to find out the facts for themselves.

LORD AYLESTONE said he was a firm supporter of the Bill. There was no doubt that this bloodsport was cruel. Was it not possible to muzzle the dogs so that their skill in running and turning could be tested without catching and killing the hare?

The EARL of MANSFIELD (C) said that if ever there was legislation which should be left to a private member to put forward it was this sort. He was disturbed that the … was used as a vehicle for this type of legislation because it was so divisive in its effect.

The Bill was read a second time and the motion that it be referred to a select committee was agreed to.

The Road Traffic (Drivers' Ages and Hours of Work) Bill passed the committee stage.

House adjourned, 7.38 pm.

Review early next year of EEC budget machinery and procedure

European Parliament
Strasbourg

Opening a debate on the EEC budget for 1976, M Cointat (France, DEP), rapporteur for the committee on budgets, reported on the meeting on December 3 between a delegation from the Parliament and the Council of Ministers. The meeting, he said, was lengthy, difficult, lively and sometimes impassioned, as was to be expected.

At the plenary session of the Parliament in November, MPs demanded increases in the budget of 441m units of account (about £200m). This was the proposal that the delegation took to the council where it was cut to 90m units of account.

On Thursday when MPs finally vote on the budget, they are expected to ask for the 90m to be increased to 102m units of account.

M COINTAT said that one of the outcomes of the in-depth discussions with the council was that the present procedure was too complicated, unrealistic and too hard to apply. The outcome of the consultations was not entirely satisfactory, but substantial progress had been made.

The council had told the delegation that they would like Parliament to concentrate their funds on the social fund, research and aid to the non-associated developing countries, and it was left to MPs to decide on the allocation of the 90m units of account for extra money the council was prepared to sanction.

The council had undertaken to consider with Parliament during the first quarter of next year how the budgetary machinery and procedure could be improved.

As a result of the discussions the committee on budgets now suggested that Parliament should adopt a set of amendments to the budget amounting to 102m units of account. This was such a slight increase over and above the sum proposed by the Council that he did not think they would quarrel about it.

SIGNOR FABBRI, speaking for the Council of Ministers said the council had looked with great attention at the proposed increases in the budget and finally agreed to the 90m units of account. They thought that 35m should go for research, 35m to the social fund and 20m for non-associated developing countries. It was only because this year the council felt it had to be more austere that it could not accept further increases proposed by the Parliament.

HERR LANGE (West Germany, Soc) said his group agreed that the committee's proposed increase should be supported. They had considered whether the whole budget as proposed by the council should be rejected but had decided against this.

MR LENIHAN (Ireland, Dep) said the main task for 1976 was to see that in 1977 there was a degree of financial autonomy for the Community institutions. They could not have a say in the expenditure without having a say on the way the revenue was gathered.

He assumed that in view of the reasonable approach of the Parliament, the council would agree to the increase from 90m to 102m units of account. One welcome development was that the increase was not itemized. When, as previously, items of expenditure had to be set out before appropriations could be agreed this had led to delay in the spending of the money. Now the Commissioners would be able to take direct actions in particular areas, in particular on the redeployment of resources and the employment of younger people.

The budget in future had to be regarded as an instrument of social and economic progress. National budgets were regarded in that way and were regarded as the main instrument of economic development.

MR JAKOBSEN (Denmark, C) said his group would give general support to the committee on budgets. The extra money was so little that it was right that Parliament should assert itself as one of the two budgetary authorities, and not get into a situation where it gratefully accepted a small Christmas present of a few million from the council each year.

MR OSBORN (UK, Sheffield, Hallam, C) said the time had come to end the charade of the present system of working out the budget. MPs were doing rather clumsily what auditors, accountants and civil servants could do better.

The people of the member states might accuse them in Strasbourg, Luxembourg and Brussels of being too inward looking about their own budget. Perhaps MPs were not thinking sufficiently about decisions being taken in the capitals of the nine.

The budget amounted to only 0.6 per cent of total public expenditure throughout the member states. The figure the Community was controlling was too small and they should aim at a figure of 20 to 25 per cent.

Throughout the Community people were concerned with the depression and the economic crisis. Their budget debates should be more concerned with that.

MR DALYELL (UK, West Lothian, Lab) said until they had some responsibility for raising revenue they were not going to be as effective Europeans as most of them wished to be. But he pleaded with MPs not to raise revenue through that most unpopular of all taxes, the value added tax. If he and his colleagues went back to their constituencies and said they were in favour of raising money through the European Parliament and they were going to do it through the value added tax, it would be brought into disrepute because it was an unpopular tax, not so much because of the revenue, but because of the difficulties of working it out.

Therefore (he went on) if we are going to raise money of our own it must not be shackled and harnessed to the most unpopular tax in all our countries, unpopular particularly with that articulate and influential section of the community, the self-employed.

SIGNOR FABBRINI (Italy, Comm), said the budget was not sufficiently forceful or dynamic and insufficient weight had been given to safeguarding employment. As a result member states would be obliged to use budgetary instruments to support their domestic economies in 1976.

His group would vote against the whole budget. This was an act of political courage, not of irresponsibility and rejection of the budget would not lead to a European crisis, as the Commission would continue with its work. Outright rejection could be a starting point for a frank discussion with the council.

LORD BRUCE OF DONINGTON (United Kingdom, Lab) said that the council shed crocodile tears over the cuts they thought to be necessary for the preservation of the economies of individual member states. But they did not touch the 991m UA increase under the common agricultural policy proposed by the Commission.

The major amount of expenditure had already been determined and could not be cut because of one of the most powerful lobbies confronting the Community—Copa, the committee of agricultural organizations in the European Community, which in Britain was represented by the National Farmers' Union, whose President, Sir Henry Plumb, was President of Copa. Copa must not be offended because the council was not strong enough for that. The Parliament had had no impact on the budget because the Community was terrified of the inhabitants of the big chateaux, the large scale farming lobby.

I invite my colleagues (he said) to express their dismay at this budget and express the hope that in 1977, as undoubtedly we shall be promised, we shall have something which more nearly matches the hopes and aspirations of the European people.

M CHEYSSON, Commissioner responsible for budgets and financial control, said it was politically significant that the Council of Ministers had agreed with the Parliament that more funds should be earmarked for the social fund, research projects and aid to developing countries.

This was tantamount to member governments admitting that they were wrong during their first consideration of the draft budget. It was important that the Parliament and council wanted to set aside funds to help countries beyond the Mediterranean, Africa, the Caribbean and the Pacific islands. He hoped that this might give some impetus to Community plans to help the non-associated developing countries like India and Pakistan.

The latest draft of the budget was not as satisfactory as the Commission would have liked since there were still gaps and weaknesses. Nevertheless it was better than once seemed likely, largely thanks to the efforts of the Parliament.

He hoped the final draft of the budget would be adopted and that remaining differences between the member governments and the assembly could be resolved.

The debate was concluded. Voting on the budget will be on Thursday.

A postscript to Versailles

The LORD CHANCELLOR, moving the Law (Repeals) Bill, a consolidation measure, said that one historic Act which was to go was the Treaty of Peace of 1919 Act whose function was to enable the treaty of peace concluded at Versailles on June 28, 1919, to be carried into effect.

Another Act included in the Bill was the Isle of Man Purchase Act 1765, which gave effect to the contract for the sale of the Isle of Man to the Crown by the Duke of £70,000. It would be interesting to reflect what it would fetch today. (Laughter.)

Another obsolete enactment required a hackney carriage driver who fed his horse to do so only with corn out of a bag or with hay which he held or delivered with his hands. The penalty for failing to comply was a fine of 20s.

The Bill was read a second time.

School transport difficulty

MR MULLEY, Secretary of State for Education (Sheffield, Park, Lab) questioned about school transport proposals, said that because of the difficulty of balance it was right not to take any steps until he had full consultation with local authorities which were likely to take some considerable time. It might be that they would not find a solution that would be generally acceptable.

Who says there's no such thing as a vintage year for gin?

In mid-eighteenth century England the landed gentry was veritably overflowing with gin connoisseurs.

They afforded their favourite tipple much the same ritual that is reserved for rare old wines.

And anything less than excellent didn't even get a sniff.

(After all, you couldn't pull a poor gin out of the fire with tonic water in those days.)

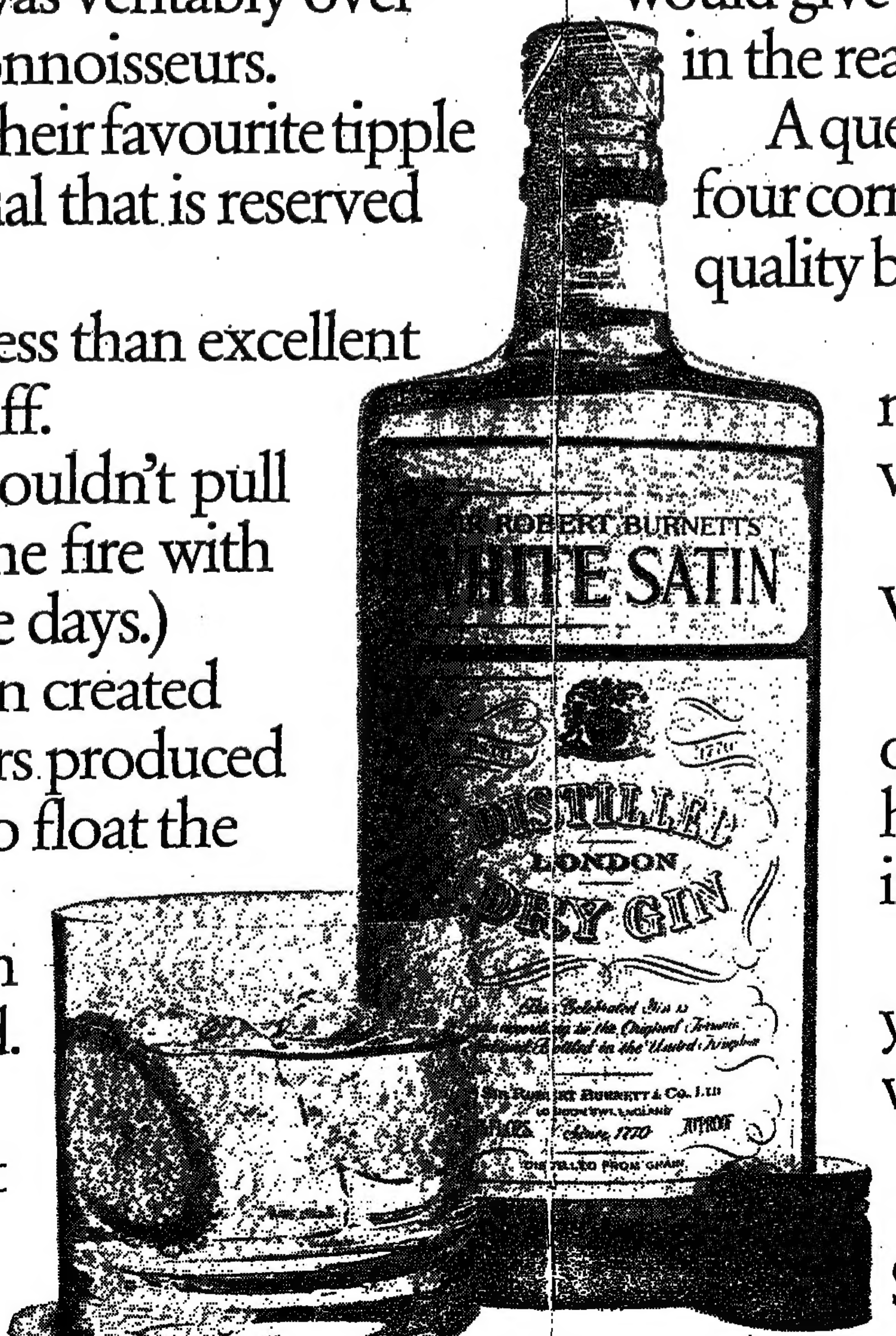
The competition created between the distillers produced enough great gins to float the British Navy.

Even so, one man still wasn't impressed.

The Sheriff of London, Sir Robert Burnett.

He embarked on finding a recipe that would give him the best London Gin in the realm.

A quest that sent him scouring the four corners of the globe for the finest quality berries, herbs, grain and spices.



You can still judge the measure of his success to this very day.

With a tot of Burnett's White Satin Gin.

In fact, we've stuck to his original recipe since the day he launched his celebrated gin in 1770.

If you taste it, we think you'll agree. That really was a very good year for gin.

Still made to the original recipe.

Rules that must be laid down before another referendum is even considered

It used to be accounted a principle of the British constitution that it knew no such thing as a referendum, except for Sunday opening. That left out of account the Northern Ireland border poll of 1973 when the voters were asked whether they wanted to remain part of the United Kingdom or join the Republic of Ireland. But that was widely regarded as an exceptional event, a rather desperate and not altogether satisfactory ploy in an emergency.

It was different with this year's referendum on the EEC. Although the holding of the referendum was bitterly contested, it is now generally considered to have been successful. It resolved the issue as nothing else in prospect could have done; and it provided the endorsement of the electorate for the judgment already delivered by Parliament.

No matter how much it may be said that this was not a precedent, it has in fact become one. It will be no use asserting in any future crisis that Britain does not have referenda. The taboo has been broken. The question now is under what circumstances would it be acceptable to have a referendum in the future. This is the time before it has become a matter of immediate controversy to consider what the guidelines should be.

A case could be made for a radical change installing the referendum as a regular instrument of British government. It could be maintained that at a time of declining respect for representative authority, when the decisions of government are not automatically accepted, it would be better if the more important policies had a clear expression of popular approval behind them. But that raises all the familiar objections to government by referendum.

Who would choose which issues had to be decided in this way? Would the electorate really be fitted to determine the more complex questions of modern administration by the exercise of that broad common sense that does qualify them to choose between parties at election time? How could consistency be secured even within the lifetime of one government if the voters were contradictory in their decisions?

It would be wise to be much more restrictive by establishing a convention that a referendum could be justified only when certain conditions were fulfilled. It should be confined to constitutional questions: voters can appropriately determine the process and the party by which they are governed, rather than the precise policies that any government should follow. It should be a question that can be answered by a straight yes or no: one cannot move a reasoned amendment in a referendum. And it should deal with an issue that has become immediately relevant: otherwise it becomes either a glorified public opinion poll or a political trick.

The EEC referendum met all these criteria. Sunday opening? Well, a certain illogicality is itself one of the principles of the British constitution. But what of the future? It is in the context of Scotland that another referendum is now most frequently discussed. There should certainly not be a referendum on full independence for Scotland as part of the process of setting up an Assembly. It would not have become immediately relevant. The critical questions then would be whether to have an Assembly, and if so with what powers.

To attempt to obscure these questions by asking another one would seem, and most probably be, a political trick. It would be conceived as a manoeuvre to weaken the Nationalists by a preemptive strike. That would debase the currency of the referendum and might be dangerous anyway because people sometimes give unexpected answers to questions for which they are not really ready.

The time to ask the Scottish electorate if they wanted full independence would be if the SNP had won a majority either of the Scottish seats at Westminster or in the Assembly. That would make the question immediately relevant. The SNP would interpret either of these developments as giving them a mandate. But before any British government began the thorny task of negotiating an independence agreement for Scotland it would have the democratic duty—quite apart from considerations of self-interest over oil revenues and other matters—to make certain that this was the settled conviction of the Scottish people. One election result, when there may tactical or protest voting, would not be enough. The best way to test it would be in a referendum.

The only referendum that would be appropriate in the process of setting up the Assembly would be on that question itself. If that were to be done, the correct course would be for Parliament to pass a Bill subject to approval in a referendum. It would be necessary for the Bill to be passed first so that voters would know precisely what kind of Assembly they were being offered. Otherwise there would be people saying it would all depend on the details. It could be argued that the whole United Kingdom electorate should vote in such a poll because it is the structure of the United Kingdom that is at stake. But that would be a mistake. The only question that might need to be answered is whether the people of Scotland and Wales do indeed want the Assemblies proposed for them. If a referendum is thought necessary to answer that then there could be no objection of principle, provided it was not used as a delaying device.

It would also be fitting to hold a referendum before changing the electoral system. One of the most telling objections to electoral reform is that it might undermine public confidence in the legitimacy of political institutions if the method of election to them were altered without general popular approval. That objection would fall if the voters had themselves endorsed the change. Once again they would have to be presented with a precise proposal approved by Parliament, or a Speaker's Conference.

If there is ever the necessary political agreement on radical reform of the House of Lords—so that a new Upper House was in effect being created—that too would be a suitable subject for a referendum. The ideal, which could be followed in most of these cases, would be for the electorate to be asked if they wished to endorse a scheme provisionally passed by Parliament. The only exception would be over Scottish independence: it would just not be practicable to negotiate an independance agreement for Scotland on a tentative basis. Even the best constitution mongering must take account of political realities.

Geoffrey Smith

The Moscow Philharmonic: Would it survive an exodu[s of] Jewish musicians?

What a Jewish brain-drain would do to the Soviet Union

The spotlight focused on the problems of Soviet Jews seeking to emigrate to Israel tends to overshadow the important role Jews continue to play in Soviet society. Numbering about two million, they form less than one per cent of the total population. A total exodus of Jews such as occurred in Poland in the late sixties, would be a brain drain out of all proportion to their numbers. In the Soviet Union as elsewhere the Jews are overwhelmingly urban, 97.9 per cent. And the impact of such a departure would be felt mainly in the major cities.

Hardest hit would be the performing arts. The symphony orchestras of Moscow, Leningrad, Kiev, Odessa and other cities would be so depleted they might have to fold, temporarily, at least. And it would be a long time before they recovered—if they ever did. Stage and cinema would lose some of their best directors, producers and actors, the media many of their editors, commentators and correspondents. *Literature would be impoverished.* All branches of science would be affected. The 1970 census gave the number of Jewish scientists as 66,800 or 7 per cent of the total, compared to 661,000 Russians, 66 per cent of the total. The Jews

Jews make the most of opportunities to improve their lot

in science include names of world renown, among them several Nobel Prize laureates. Jews are also prominent in medicine and in the teaching profession, especially at university level, as well as in economics and at the managerial and executive levels in industry and wholesale and retail distribution. Soviet Jews make the most of existing opportunities to develop their talents and improve their lot, along much the same lines as in open societies. Thus 90 per cent of all adult Jews have been through secondary school, and in the major cities nearly half have attended institutions of higher learning. The Jews' educational level is far above the mean level. Thanks to this, and to greater initiative and sobriety, Jewish living standards are substantially higher than average.

The changing status of Jews in the Soviet order of priorities is reflected in the space alloted them in successive editions of the Soviet Encyclopedia. The first edition volume, published in 1932, devoted 159 columns, small type, to Jewish history, culture and literature. *the second edition volume,* published in 1952, gives the Jews four descriptive columns, no space to Jewish culture or literature, the third edition volume, published in 1972, carries ten and one half columns on the Jews and Jewish literature.

When the Bolshevik Party Central Committee met under Lenin on October 10, 1917, to approve plans for the armed uprising that a fortnight later overthrew the provis[ional] government, six of the [...] present were Jewish. (Of [...] Uritsky was assassinated [in] 1918 by a terrorist, Sve[rdlov] died of tuberculosis in [...] Kamenev, Zinoviev and S[...]nikov were sentenced to [...] in the 1936-37 purge [...] and Trostsky was killed [in] Mexico in 1940, presumabl[y by] a Stalin agent.) A full li[st of] Jews, many of them ve[teran] revolutionaries, who peri[shed] in Stalin's purges before [and] after the Second World [War] would fill many pages.

Mistrust of the Jews [on] strictly racial grounds [...] *from the establishment* [of] Israel. Stalin was surp[rised] and alarmed by the enthu[sias]tic welcome Moscow Jews [gave] the first Israeli diplomat[s to] arrive after relations [were] established with the n[ew] independent state. There[after] the loyalty of all Jews bec[ame] suspect. They were denou[nced] and hounded in the late fo[rties] and early fifties as "cosm[opo]litans without a country", [cul]minating in the notorious [case] of the Jewish "Kremlin [doc]tors" arrested in January [...] on charges of deliberately [try]ing to kill off patients [who] were leading political and [mili]tary figures. They were clea[red] and released shortly after [Sta]lin's death, which marked [the] end to more open forms [of] discriminatory anti-Semit[ism]. But Jews have never been r[e]stated in leading positions [in] politics, diplomacy, or the m[ili]tary establishment. The [...] member Central Committ[ee] elected by the 24th Party C[on]gress in 1971, included [only] one Jew, Veniamin Dymshit[s], Deputy Premier and Dep[uty] Chairman of the State Plann[ing] Commission. In the thir[ties] Jews occupied from 14 to [...] per cent of senior party [and] government positions. [At] present the percentage is [...] per cent.

The basis of this is the [un]spoken conviction that a J[ew], no matter how fully assimi[lat]ed, has a latent loyalty [to] Judaism and Israel. The par[tial] opening of the door to Jew[ish] emigration has tended to re[in]force this suspicion. The m[ere] fact that a procedure has b[een] set up for processing Jew[ish] applications to emigrate [has] caused all Jews to be regar[ded] as potential emigrants. T[his] means in practice that w[hen] there is a responsible [...] vacancy and two equally qu[ali]fied candidates available, [one] of them Jewish, the other [Rus]sian, the director or perso[nnel] manager of an industrial pl[ant,] scientific research institute [or] any other enterprise, is [...] likely to pick the Rus[sian,] especially in a sensitive [posi]tion. For should the Jew [sud]denly apply to emigrate, [not] only would the employer [have] to fire him, but the emplo[yer's] own judgment and vigil[ance] might be criticized for h[iring] him in the first place. Jews are aware of this, w[hich] tends to undermine their s[ense] of security and thereby [stim]ulate emigration. All [this] would change if not only [Jews] but all ethnic groups [were] allowed to emigrate wit[h the] choice to return. The ch[ances] are that many emigrants w[ould] opt for home, including Jews, once their sens[e of] security was restored.

Edmund Stev[ens]

Bernard Levin

My eyes are dim, I cannot see, whatever will become of me?

I have decided to make away with myself, and am not to be turned from my melancholy purpose by any entreaties on the part of my readers, always supposing, of course, that the news is not in any case greeted on all sides with dancing in the streets and the consumption of prodigious quantities of ale. I have not yet decided what means of self-ending to employ: a rope suspended from a hook immediately above my desk in my office at *The Times*—my first thought—would, I am assured, certainly bring down the ceiling and in all probability the entire building, and the Hammer of the Gas Board can hardly put his head in the oven. But the method is a matter of little consequence; what counts is the decision, and on that I am resolved.

I feel that I owe it to the nation to explain this unseasonal resolution on my part. It all began a few months ago. My sight has always been poor, though its imperfections have all my life been compensated for by my giglamps, and I had long since come to terms with [illegible] woman in my life, starting with my mother and no doubt ending with the good soul who will be entrusted in the next few days with the laying-out has endeavoured (without success) to persuade me to change the style of the frames. But of late I had found that reading small print in a poor light was becoming more difficult, and there was an awful moment of truth when I realized, while looking at a map, that the usual method of momentarily solving this problem—bringing the page closer and screwing up the eyes—no longer worked at all.

> "There was an awful moment of truth when I realized, while looking at a map, that the usual method of bringing the page closer and screwing up the eyes no longer worked at all"

I did nothing; if I thought about the matter I suppose I assumed that a man approaching 29 must expect such a decline in his faculties. (I had already found, for instance, that I was quite unable to run a mile in less than four minutes, or for that matter three-quarters of an hour.) But one night, reading in bed, I pushed up my glasses to scratch an itch on the bridge of my nose, and to my astonishment and alarm I discovered on the instant that I could read better without my specs than with them.

Like Paolo and Francesca, I read no more that day, but lay staring at the ceiling for some time. If I could actually read better with the unaided eye, why had I spent my life as the Owl of the Remove? Had I fallen in my childhood (when I had first been ordered the spectacles I had worn ever since) into the hands of quacks? Was I really Hawkeye, Last of the Mohicans, [illegible] Had the [illegible] up with one of those dogs, despite my notorious antipathy to the entire species? I fell into an uneasy sleep and dreamed of searchlights.

Next morning, I tried reading the papers with my glasses off. I found I could do so with ease, but developed a pole-axing headache before I was through. Thoroughly alarmed now, I made an urgent appointment with a Harley Street ophthalmologist, a most expert and reassuring man, who had prescribed the specs I had been wearing for some years, and explained my alarm and my reason for it. "That's right", he said cheerfully. I pointed out rather sharply that it did not seem at all right to me, and he explained. It seems that those with subnormal vision can generally manage to carry on with the same glasses—with perhaps one or two changes to slightly more powerful lenses as the years go by—until they approach, as I had, a certain age, whereupon an abrupt change (in my case it had been very abrupt indeed) takes place in the condition of the eyes.

The long and short of it is that one lens will no longer suffice for both distant and close vision. And the long and short of the remedy for this state of affairs is, he explained, different lenses for the two functions. "Two pairs of glasses?" I groaned, an end-[illegible] pair and putting on the other opening up before me. "Or bi-focals", he said. I enquired if these posed problems. "Well, you'll do a good deal of falling downstairs at first", he replied, little knowing that before many days were out I would be praying not just to fall down stairs but to break my neck in doing so. For I agreed to the bi-focals, and from the moment I took delivery of them I have endured misery and pain beside which the fate of St Sebastian would come as nothing but a mild tickling sensation.

I can see nothing; when I want to look into the distance I find myself using the bottom, close-focus part, and when I want to read, I seem condemned to an attempt to do so through the top, distant section, and the result in both cases is a hideous and impenetrable blur. On top of this, I have a sick headache and a crick in my neck from a mad but uncontrollable attempt to adjust the angle of my face rather than of my eyes; I weep continuously; and my eyes themselves are so sore that all the Optrex of Arabia will *not* wash the pain from this my sight.

The optician who made them told me that though some people take longer than others to get used to them, only one person in 500, attempting to master the art of using bi-focals, fails altogether. I do not know whether I am one of that wretched band (knowing the Luck of the Levins I can well believe I am), and I am past caring. If I am told that perseverance will eventually bring [illegible] I reply that if it were only another two days' perseverance that was needed, I would still rather be dead than endure so long.

Thus far had I got in my story, when an angel of the Lord came down, and glory shone around. I had taken the damned things off to press a cool handkerchief for a few moments to my suppurating and tortured eyes, when they snapped, irreparably, in half, right across the bridge. I flung the pieces from me crying "A sign! A sign!", and remembered in my delirium that when I had collected the monstrous Iron Maidens from the optician, I had given him my spare pair of specs with instructions not to start on replacing the lenses in those until I reported that I had mastered the art of living with bi-focals. Next morning, I rushed in, retrieved the dear, friendly old things and left instructions instead for the making of separate reading-glasses. I do not care how often I have to remove one pair and don the other; I do not care how often I forget one pair, how often I go wandering about the house trying to remember where I put the other pair down, how much it will cost to have a special extra pocket sewn into all my jackets. I will not try to endure one more moment of the unendurable agony of bi-focal spectacles, *and that's all there is to it.*

And another thing: you can stop the dancing, and cancel the ale:

The gallows in my garden, people say
Is new and neat and adequately tall;
I tie the noose on in a knowing way,
As one that knots his necktie for a ball;
But just as all the neighbours—on the wall—
Are drawing a long breath to shout "Hurray!"
The strangest whim has seized me . . . After all
I think I will not hang myself today.

Are we really prepared to sacrifice liberty for equality?

When Alexis de Tocqueville visited the United States in 1831 he concluded that democracy faced two threats: anarchy and servitude. With his usual shrewdness he considered that in the future servitude would be the greater threat since democracy would move to too much government and too much uniformity enforced by government. The worship of equality would put so much power in central government that "self-government" would cease.

Any observer of present day Britain would note that there was much talk of equality and social justice and little mention of liberty except from minority groups demanding an equality which were really privileges. It could thus be useful to consider why liberty is the supreme human value.

Liberty is important because all human beings are different and to be different they require considerable freedom of action. The individual will only maximize his happiness and be able fully to serve his community if he is allowed to live his life in his own way and develop his own talents, initiatives and priorities.

Liberty is also essential for both economic and social advance. The evolutionary process of mankind has been encouraged by millions of men and women making their own decisions and using their own self-correcting mechanisms. The state has no such mechanisms since a few men decide future action and can distort a whole country in a vain attempt to make a national plan work. That the USSR, with a third of her population engaged in agriculture on her broad acres, cannot feed her population with grain while the USA, with only four per cent of her population so engaged, can export grain to Russia shows the virtue of private enterprise and initiative?

The libertarian rejects Marxist determination. To him the future is unforseeable and unpredictable and progress is most likely to arise by all people being the innovators and explorers of future development. Too much government brings stagnation while the evolutionary energies of tens of thousands of citizens trying out their own paths for progress indicate where a better future lies.

Progress also arises from inequality. The rich bought their colour television sets and created a market which provided cheap colour sets for the mass of the population. The more prosperous nations try out new life styles which inspire hopes of progress among the underdeveloped nations. Drab equality is restrictive of the human spirit and people will be imprisoned in a stagnant society.

It can also be argued that self-government consists in mature men and women having maximum freedom to decide their own lives and not in the right to vote every five years for parties which may not even *offer them alternative views of* the good society.

A too great emphasis on equality will inevitably lead to totalitarian government. Men and women will only be kept equal if those who wish to excel in different spheres or to explore different ways of life are punished and driven back into line. Sir Keith Joseph once said that if men were made equal at breakfast in a free society, they would be unequal by the evening. An egalitarian government starts by being the guardian of equality until its minders become the tyrants of a country. Only by keeping people in perpetual childhood can an egalitarian society continue to exist. Thus liberty and self-government disappear before the egalitarian tide.

De Tocqueville would see every sign that the British Labour Party is hastening to create such a government of first guardians and later tyrants. All must be educated in the same type of school, individual talent must first be unrecognized and then repressed. All private hospital beds and medicine must eventually be prohibited. A man's home freedom now only runs to one acre under the Community Land Bill and soon it may be to one room.

The continuance of private property is suspect and if this goes then political liberty will disappear since there is no freedom in a society with one employer and one compulsory union card. John Locke declared that "law, liberty and property are an indivisible trinity".

The new absolute totalitarian democracy could be much more oppressive than either absolute monarchy or absolute oligarchy. The powers of repression of the modern state are so extensive that freedom would quickly die especially when the powers were exercised by a government elected by and claiming to act on behalf of a whole people. There is a straight line from Napoleon to Hitler to egalitarian socialism since such a government would recognize no natural law or human freedoms which could limit the power of an elected majority.

This is the real issue of present day politics. Is it possible to preserve liberty, the supreme human value, without which all other values are dross? A free press, a free judiciary, many varied institutions, balancing local government powers, private property can all help. In the last resort, however, the preservation of liberty now depends upon the Conservative Party taking it, like the Whigs, as its banner, around which the whole of its future policy is based.

The real enemy of the 1930s was appeasement of external dictators, the real enemy now is government erosion of freedom however cabinet ministers may wrap up their intentions. The Conservatives can only survive as the proponents of liberty and then like Solomon's wisdom, all things, even electoral victory, would be added to them. The Tory Reform group is philosophically wrong because in the present climate it is not paternalism but libertarianism which is required as the party's balancing act if the free society is to survive.

Dr Rhodes Boyson

The author is Tory MP for Brent, North.

The Times Diary

Something to get their teeth into

What a callous lot film critics are. A bunch of them sat in a cinema in Regent Street yesterday morning and did nothing but giggle, snort and guffaw as hapless swimmers were torn limb from limb by a man-eating shark before their very eyes. They are obviously so sated with blood-and-guts pictures that it takes more than a few dismembered legs to send them bolting for fresh air.

The occasion was the press preview of *Jaws*, described in its advance publicity as the terrifying film of the terrifying best-seller. There have been reports of a sudden drop in the popularity of sea-bathing wherever the film has been shown.

But the critics will not be deterred. When the camera followed a chewed-off leg, shoe still on foot, on its slow descent to the sea-bed, they tittered. When the death-white head of a mauled fisherman, one eye gouged out by the monster, floated into view, they roared, and when the huge teeth bit the shark fisherman clean in two, they brought the house down.

Audiences in America and Australia apparently do not share this cynicism, and are prepared to overlook the fact that the man-eater is only a passable inflatable model, with some kind of clockwork motor operating the teeth. Its makers claim it is the biggest box-office success in the entire history of the world, surpassing *The Godfather* for which a similar claim was made not long ago.

My reporter enjoyed the two-hour saga of how the 25-*feet long, three-ton* man eater devours numerous swimmers off a Massachussets beach, and is finally destroyed rather cunningly by the local policeman and a marine biologist. But then he is at the knotted hanky and rolled trousers end of swimming, and rarely lets the water past his knees.

In the act

The court scene in a current production of *The Merchant of Venice* is given exceptional piquancy, because the Duke of Venice, who presides, is a senior judge usually appearing at the Old Bailey, Shylock is a Lord Justice of Appeal, and Portia is a junior barrister professionally engaged on the south-eastern circuit.

The Bar Theatrical Society is presenting the play this week in the hall of Gray's Inn, against the opulent backdrop of a wooden screen said to have been fashioned from the poop decks of galleons salvaged from the Spanish Armada.

Lord Justice Buckley, who plays Shylock, is a stalwart of the society's productions, and has previously starred as Malvolio and Tartuffe. He was president of OUDS while at Oxford, but unlike Judge Edward Clarke (the Duke of Venice) he was never a professional player.

Clarke trod the boards for five years in pantomime and repertory, playing Bradford, Rochdale and Warrington before settling to law when he married. He says though, that play-acting is more rewarding in court than on stage. "You write your own part, and compose your own sentences". Boom, boom.

David Webster, the producer, is also a barrister, but his parents ran a theatre in Glasgow and he was a regular in *Dixon of Dock Green* while he was a law student. Lawyers take naturally to play acting, *he says, and his only worry is* that somewhere during the run a jury may be sent out late and one of his travelling performers compelled to miss a show.

Adventure hols

Visitors to Northern Ireland are still able to obtain a remarkable pamphlet from the Northern Ireland Tourish Board on arrival at Belfast. It is entitled *Sightseeing in Belfast* and includes a list of 17 tourist sights in the centre of town. No mention of the bombs, the riots or the hundreds of dead although paragraph two begins: "The capital of Northern Ireland is a city of surprises . . ."

If he takes a trip to the Smithfield Market—"a mecca for lovers of bric-à-brac, old books, pet shops and characterful (sic) stalls of many kinds"—the tourist would indeed be in for a surprise. It was entirely gutted by incendiary bombs over a year ago. (The prefabricated new version, erected with government money, scarcely lives up to the old description.)

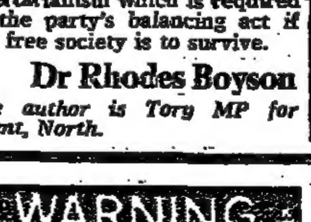
Visitors are also advised to take a stroll through Ormeau Park (in one of the city's most dangerous areas) and to take a glance at the Ardoyne Church (a few yards from Butler Street, where the IRA regularly shoot at the Army).

The tourist board even recommend "a walk along the Hightown Road towards the top of Cavehill". It does not mention that this area has been the scene of numerous sectarian murders and that neither the *police nor the Army would* advise anyone—even an Ulsterman—to take a walk through the district.

Summitry

Two contrasting accounts of ascents of Everest have been on view in London this week. A film of the Chinese expedition which reached the top in May has been shown by the Chinese Embassy, and with sigh-provoking shots of birds, flowers, naturally sculptured ice and rows of padded figures winding their way through sunny snowfields it makes climbing Everest seem like a happy picnic.

Off-screen one man does fall down a crevasse and die, but the commentary says this merely strengthened the determination of the others, who had been holding political meetings all the way up the mountain. At one of the highest camps a woman climber was ceremonially admitted to membership of the Communist Party, and when they reached the top one of the leaders lay down and was attached to an electro-cardiagram which radioed results back to base camp.



Enid Zelle, of Taunton, photographed this sign of separatism in the southern counties at Bournemouth.

The BBC's film of the British 1975 expedition, which will be seen on television tonight, is very different, as the title, *Everest the Hard Way*, makes clear. Even base camp looks chillingly desolate, the climb is punctuated with avalanches, and triumph is followed by the highest and coldest bivouac in mountaineering history and the disastrous deterioration in the weather which engulfed the BBC's cameraman, Mick Burke.

In contrast to the Chinese emphasis on collective spirit, Doug Scott talks about "shop-floor attitudes" developing on the British expedition and says that at times he was out of sympathy with Chris Bonington's leadership. The emphasis is on the climbers as individuals.

In the end, though, the British agree that their expedition was also a happy one, and Scott confirms the jolly impression of the Chinese effort. The marker they left at the summit, he says, was "like a little maypole".

Eerie

Michael Leapman reports on Canberra, Australia's artificial capital city:

Arriving in Canberra after the bustle of Sydney can be an unnerving experience. The place is quiet, smooth-running and seems almost deserted, as though everyone had suddenly had to leave fast, faced with some unknown terror.

Driving in from the neat little airport, on a road lined with grass and trees, I saw perhaps a dozen other cars until I reached the *immediate vicinity* of my hotel. And the hotel itself reflects the town's emptiness. It is the biggest and most expensive in town, yet its large lobby is always deserted.

The roads are wide and well landscaped, linked by spaghetti junctions of an exaggerated complexity, which again [are] lightly used except in the [rush] hour. Most eerie of all are [the] buses, which travel along [the] roads at a great speed, without a soul in them e[xcept] the driver.

There are fewer than 20[0,000] inhabitants, most of them [civil] servants. There are also fo[reign] diplomats and a small aca[demic] community at the Aust[ralian] National University, [which] ought in theory to diversif[y the] social life. I am told, th[ough,] that there is little cross-fer[tilisa]tion between the three g[roups,] who tend towards cliquis[hness].

Members of Parliament [do] not, for the most part, [live in] Canberra. Parliament sits on Tuesdays, Wednesday[s and] Thursdays, so they st[ay in] motels for those three da[ys and] spend the rest of the ti[me in] their constituencies.

What bewilders me about the town is its area. Because of their open spaces, Australians [like] sprawling bungalows an[d] suburbs, full of them, s[tretch] for more miles than [seems] feasible to house so sm[all a] population. It is a fine lo[oking] city and I suppose it works [well] enough as an administr[ative] centre, but there is some[thing] a bit wrong with it.

At the end of a bleak year this Special Report assesses the economic outlook across the Channel and the North Sea

European industry

Ring of confidence a little tarnished

by Maurice Corina

European industry's relentless confidence in its own abilities is now being severely tested. There is nothing like a deep recession for exercising managerial capability to its limits or undermining the morale of labour forces. Across Europe the tempo of industrial production has slowed, with all the inevitable consequences, including a lengthening of dole queues.

Management is preoccupied with holding back the rate of cost increases and predicting when general recovery may begin rather than with the longer term planning for the 1980s. Yet it is precisely how and in what shape companies will survive, that must determine future planning. Companies have learnt some bitter lessons about how vulnerable industrialized society can be to rampant inflation and high-priced energy.

Few, if any, industries have escaped the ravages of inflation and depressed demand. Falling output and soaring expenses have savaged profit and loss accounts. The resulting shake-out of labour and the search for economies was inevitable, though national governments have adopted differing counter-inflation policies to complicate the life of hard-pressed managers.

Some companies have gone under. Others have been nourished by state aid and interventionist policies that are by no means a uniquely British development. The wish to preserve surplus capacity for the eventual recovery is international as is the reluctance to invest in new equipment at the bottom of a cycle, the time when it should be done, but when no one wants to tie up funds.

That reluctance stems from the economic indicators among other things, which show few signs of any recovery within Western Europe from the worst slump since the Second World War. Imports by all the industrialized countries of Western Europe will be lower in volume this year and it looks as if no country will escape decline in their overall volume of exports.

The interdependent trade of Europe and the United States has to show more striking improvements before production schedules can be revised and stocks rebuilt. It is not all gloom, however. France, Italy, Switzerland and even Britain have seen favourable swings in their trade balances and Nordic countries have greatly improved their terms of trade.

Most European eyes are naturally turned towards West Germany, where the first streaks of a silver lining may be seen. It is also to Japan and the United States that Europe must look for reflationary stimulants to trade and renewed growth. German industry is well organized and best able to respond quickly, for its fight against higher costs has gone better than most, even if that fight has been no less grim than elsewhere.

But there can be no denying the reality of European industry's plight, even if inflation rates are slowing. Continental steel mills are still making products at a loss. Coal stocks pile up at pitheads awaiting a resurgence of demand. Shipyards have met new crises.

Little money is being made by car manufacturers, hit by low demand and the fierce competition in all markets. Growth industries such as chemicals have been through some desperate times, revising their investment plans and materials forecasts. Consumer durable producers have found their customers reluctant to spend on the scale of past years.

The search by consumers for ways in which to stretch household budgets against double figure inflation rates has helped to suck in imports from low cost producers in East Europe and the Far East. Footwear and textiles have been notable examples.

All these factors, and others, produce their strains. In steel, for example, Japan and Spain have been under fire for their aggressive selling when the output of the Nine is about the level of 1968. Strains have shown elsewhere, especially within the Community. France has defended itself against Italian wine, Britain has balked at the flow of French and German cars and argued about energy policy, and so on. But all are reflections of the strain of a long recession.

The dream has been to attain more systematic planning for growth, rooted in the European Community and its arrangements with Continental outsiders. It becomes harder for the Brussels administration to push sovereign governments towards state goals when everyone is rowing and defending their interests.

When Sweden argues with the Community over footwear and paper and board, when Britain talks of selective import controls, and when the United States charges Europe with dumping cars, it becomes difficult to talk of harmony and the European dynamic that industry sees as essential.

Yet all is not bad. If recession does anything it is to promote a fundamental reexamination of such things as productivity, labour relations, managerial competence, state-industry relationships, and ways to bear rising costs. Public expenditure is everywhere under the most rigorous examination.

It has been a characteristic of the past two years that state planning of European industry has grown at national level while Community planning activity has slowed. Each country now has machinery for consultation with industry. This trend may yet produce close understanding by politicians of industrial issues and national government may be better prepared to respond when the Community, for example, is able to begin serious planning for the 1980s.

European industry's future is likely to be characterized by more collaboration in technology, energy resource development, more harmonized trading, more worker involvement in decision taking, and more government pressures, rather than less. But first there has to be an end to recession.

The turmoil in continental manufacturing and raw materials supply is matched by political upheaval, and other factors. Spain's steady industrialization is likely to continue, yet no one can be certain how political events after the death of General Franco may affect its future pace, or the development of trade union power. Portugal is in a mess, with external investors unsure of their future association with that country.

The shadows over Spain and Portugal are in sharp contrast to the steadily growing, if less populous, Nordic nations. Norway is now rich with oil and has a new importance to Europe, if outside Community commitments. Its gross national product may rise 7 per cent next year, though the Nordic Federation of Industries foresees a slower revival in Sweden and Finland, the latter savaged by inflation, while Denmark may advance its national product by 4 per cent.

Among other smaller nations, Austria and Switzerland, by specialization in particular industries or financial services, seem self assured. But the size and scale of industry in the heartland of Europe—The Netherlands, the Benelux countries, West Germany, France and Italy—require more careful evaluation. Their great industries, from petrochemicals in Holland to domestic appliances in Italy, are dependent on many imported materials and fuels and sustained heavy investment.

There has been an increase in external investment in developing parts of the world and the United States, backed by the steady rise in intra-European trading and direct exporting. Yet, there are worries for the future. The low cost production evident in the Far East and Eastern Europe is prompting a reexamination. Japan is a formidable competitor and progressive industrialization in such diverse parts of the world as Eastern Europe, the Middle East, and South Korea means more import competition and stronger challenges in traditional markets.

Europe in recent years has demonstrated a capacity for technological development, but to keep ahead or abreast of the United States and Japan requires massive investments and risks. Anglo-French cooperation on Concorde is proof of technical capacity as well as the risks, even with collaboration. Such collaboration will surely continue, nevertheless.

In the energy sector, for example, there have been some setbacks, but American nuclear technology is likely to slow down and be overtaken by European fusion work. Europe is progressing towards pooling data-processing skills. Newer financial institutions are beginning to invest across frontiers, backing worthy projects.

More industries now talk of coordinating their investment plans and greater interest is taken by one industry in one country in the difficulties of the same industry in another.

Trans-national mergers have been slow to develop because of the complexity of differing corporate law and taxation. Yet the possibilities will grow with more harmonization. Already Rothmans International has made a bold attempt to form European management and production out of a series of tobacco mergers. Dunlop-Pirelli ran into troubles, but can boast some experience.

State aid to industry continues to develop. There are incentives to invest, loans, central governmental planning, and the creation of state holding companies, with Britain providing the latest example with its National Enterprise Board. On this trend is being superimposed the European Community's efforts to create a regional policy to concentrate more resources in less prosperous areas.

While the machinery of individual nations for consulting industries about their problems and aspirations continues to be refined, there is now a burgeoning apparatus of European consultation. Trade associations and central employer organizations meet regularly, both within and without the EEC. Surveillance of monopoly behaviour and restrictive practices has also intensified.

Whatever the troubles and the present state of flux, Western Europe is still a formidable industrial machine based on a vast market where barriers to trade are being broken down slowly but surely. Political preoccupations are very much concerned with industrial questions and the fact that political cooperation continues to grow means that industrialists will develop further their own collaborative machinery and be steered towards more planning at European levels.

More organized trading relationships and further strengthening of combines may result from an increase in government-to-government consultations on industrial issues. In such a situation, the role of the small and medium-sized business can be diminished without more conscious understanding of their particular importance to the European economy.

That this question is now attracting some discussion in European circles can only be welcomed, but more evidence of practical support is needed to sustain the enterprise on which European growth has been based.

The author is Industrial Editor, The Times.

Klaus Rose

Steelworkers in West Germany: 1975 has been possibly the worst year for steel since the 1930s.

Palliatives for common finance problems

by Anthony Rowley

There has been a strong similarity in the nature of the financing problems faced by industry throughout continental Europe over the past two years. Only the magnitude of the problem has differed from one country to another, broadly in line with differing rates of domestic inflation.

The solutions adopted by industry and by governments also have been broadly similar. They are probably better called palliatives than solutions, however, for financing and liquidity problems threaten to reappear once recession gives way to reflation.

In all the countries of the EEC, and elsewhere in Europe, a common scenario was building up to produce a classic liquidity squeeze for industry from the time of the oil crisis in the autumn of 1973. In the next year, inflation began to gallop along in many European countries and in Britain it reached a runaway pace.

The common reaction among European governments, and perhaps most markedly in France, was to impose price controls on many important industrial product groups. This in itself might not have affected industry too badly had it not been for the fact that its own costs were subject to no such restraint. Wage inflation was still rising rapidly and there was an explosive rise in world commodity prices.

Companies' operating margins were thus eroded rapidly and, to add to their burdens, they found that they were being taxed on illusory profits caused by stock appreciation. This was described in Britain as the "doomsday machine" effect though that machine was ticking away remorselessly among continental industries too.

Savings ratios were rising as people began making provisions against the coming recession and the possibility of unemployment. This not only had an impact on consumption and thus on industry's sales — consumer goods at first, then on capital goods—but also on portfolio investments. Stock markets throughout Europe plunged in 1974 thus restricting industry's capital raising just at a time when funds were being squeezed by a host of other factors.

Then, in 1975, the position changed and once again the common causes of this change brought about broadly similar effects throughout Europe. Industry began cutting back its stocks of raw materials and components sharply in line with reduced demand, thus easing the by now severe strains on its liquidity. Capital investment plans were also cut back sharply.

Governments, the British first and then the French, began rather belatedly to realize just how pernicious the effects of the liquidity squeeze were proving to be on industry. The doomsday machine syndrome was being taken seriously. Tax concessions were allowed and price controls progressively eased.

A host of smaller companies went to the wall right across Europe but as 1975 progressed it became obvious that the industrial giants had weathered the worst of the crisis.

This again increased the confidence of investors who anyway were seeing their money so rapidly eroded by inflation that industrial securities again appeared to be a better hedge against that evil than assets held in monetary form. Equity markets duly rose again from the frightening depths they had plumbed in 1974.

In Germany, as in Britain, industrial companies began to take advantage of this situation to raise money through rights issues. Much of the proceeds, however, were not put to their classical use of financing new capital investment but rather to reducing the short-term borrowings that had risen in line with working capital inflation.

However, in West Germany's case the strong position of the Deutsche mark helped to alleviate the rising costs of raw materials from abroad while the cost to companies of external finance became less of a burden on profitability in 1975 than it had been in 1974. Interest rates on the credit markets fell noticeably in the first half of this year and companies were able to replace substantial amounts of expensive short-term loans from domestic sources by cheaper foreign credit and longer-term loans.

One of the most interesting features of the West German experience has been the extent to which industrial companies have turned abroad, to foreign banks, recently in order to take advantage of lower interest rates. Many of these banks were "foreign" only in the technical sense, however, in that often they were the subsidiaries of German banks domiciled abroad, particularly in Luxembourg.

This, in turn, reflects the buoyancy of the Eurobond markets in 1975 after a long period of stagnation the previous year.

The Euromarkets have been highly active this year both in terms of medium-term loans and bond issues. A noticeable feature of the 1975 activity, however, has been the extent to which industrial and other borrowers were using the market to refinance existing loans rather than to take on new borrowing.

While European companies have taken advantage of the opportunity to refinance their existing borrowing at favourable rates they have also become more able to support themselves from internally-generated funds during the recession. The Deutsche Bundesbank reports that internal resources accounted for 83 per cent of the funds supplied for "entrepreneurial purposes" in the first half of 1975 compared with 75 per cent and 72 per cent in the corresponding period of the two preceding years.

"The self-financing ratio therefore returned to the level of the first half of 1967 when the economy likewise stood at the nadir of a business cycle. None the less, the financial conditions for a new upswing among enterprises are now substantially better than they were last year."

Not all commentators are as sanguine as the Deutsche Bundesbank on this latter point, however. There is a fear that once reflation comes it will lead to such a sharp demand for new funds, to finance higher working capital for example, that companies' borrowing ratios will be put under severe strain.

It is for this reason, among others, that British financial and industrial companies have raised more than £1,000m of new equity funds in the stock market this year. The idea has been to help to bolster their capital base against the time when they will need to increase their borrowing—to "gear up"—in line with economic revival.

In West Germany, too, many of the larger industrial companies have taken advantage of improved stock market conditions to improve their capital base during 1975. In France, however, where the stock markets tend to be of less importance than in other EEC countries, there have been few such new capital issues.

The financing problems in French industry were emphasized by the announcement in October, 1975, that this sector would receive \$2,900m of the \$7,000m which President Giscard is injecting into the economy in an attempt to bring about domestic reflation.

In Holland the prospects for industry financing from traditional sources are problematical. Holland has perhaps the best developed stock market mechanism outside Britain but capital-raising activities there tend to be dominated by a few international companies such as Philips and Royal Dutch, leaving the small companies largely dependent upon bank finance.

Outside the EEC, industry's financing problems have been no less severe than elsewhere in Europe, and in Switzerland they have been heightened by special factors. The popularity of the Swiss franc as a speculative currency, leading to its revaluation against other currencies, has produced particular problems for Swiss industry, in term of falling export earnings. The Swiss authorities are worried about the way the country's deep involvement in international banking is causing grave complications for industrial and other sectors and seriously questioning whether the international banking profile should be lowered.

The Scandinavian countries have not escaped the effects of recession either. In Sweden, despite the existence of the centrally-operated industrial fund, which is supposed to iron out the peaks and troughs in capital investment, the Government was compelled to announce in July a £900m scheme to halt the growth of unemployment.

Swedish industry has strong backing from the banks, which, along with family dynasties such as the Wallenbergs (with holdings in SAAB, SKF, Atlas Copco, Alfa Laval and other companies), provide the bulk of its finances. The sharp lesson being learnt from recession, however, is that the banks and holding companies which figure so prominently in European industry financing are unprepared to provide funds simply to prop up employment in times of recession.

At the other geographical extreme of Europe—in Spain — the problems of world-wide recession have been exacerbated by the crisis of General Franco's death and the uncertainty which preceded it. One of the most adverse factors has been a sharp fall in foreign investment in Spain, which places a greater burden on domestic institutions to finance reflation when the time is ripe.

Yet in Spain, as throughout the whole of Europe, stock markets have been touching very high levels as recession deepened. This paradox is perhaps more understandable, however, if one considers the fact that weakening price controls, tax concessions and even rising unemployment point to improved profitability for industry.

Even so, the chance to make these improved profits presupposes improving demand and that, in turn, points to a rapid rise in demand for capital. There is general agreement among European commentators that this could lead to a sharp liquidity squeeze again unless the financial institutions stand ready to provide industry with fresh injections of equity capital as well as debt.

Slow progress to common energy policy

by Roger Vielvoye

Britain's unsuccessful attempt to win a separate seat at this week's international conference on economic co-operation exposed the very slow progress that the European Community has made towards formulating an energy policy. Mr Callaghan, the Foreign Secretary, was able to argue that the lack of any agreed and coordinated policy made it impossible for the EEC to speak with a single voice on this question in world forums.

In a world where energy has gone from a low-cost, plentiful commodity, to a high-cost commodity long-term supplies of which are no longer assured, this lack of progress in EEC policy-making is causing concern among many of the members.

Pressure is now growing for the Community to move away from the concept of an overall energy plan towards a more flexible policy designed to coordinate individual national plans within extremely broad guidelines.

Documents such as *Energy Objectives for 1985*, published in 1974, are now seen as over-optimistic and unworkable and are no longer seriously considered as the basis for a Community policy as they would require substantial Community involvement in various national plans for energy production. Intervention of this kind, while easily undertaken in agriculture, is more difficult in the case of energy where projects can take up to eight or 10 years from conception to the production of power. Faced with this timescale, guidelines that treat nuclear power plants in the same terms as eggs or butter are now acknowledged to be largely an academic exercise.

At the root of all European thinking on future energy policy is the desire to lessen dependence on imported oil. Within the Community planning is made difficult by varying degrees of dependence on imported oil for meeting national requirements. At one end of the scale Denmark, with a tiny North Sea oilfield, is almost completely dependent on imported energy. According to figures from the Organization for Economic Cooperation and Development (OECD) Italy meets only 15 per cent of its energy requirements from within its own resources while France does slightly better with 23 per cent.

In the middle of the league table are Britain (51 per cent) and West Germany (50 per cent) thanks to sizable coal industries and, in Britain's case, large quantities of natural gas from fields in the southern part of the North Sea. At the top of the league is Holland, which because of its vast gas reserves, provides 70 per cent of its own energy requirements—almost as much as the best-placed non-Community nation in Europe —Norway.

However, within the Community only Britain, through the development of its offshore oilfields, has the prospect of improving on this situation in the short term. North Sea oil should make Britain self-sufficient by 1980, and if the Government chooses it could be a substantial exporter of crude oil by the middle of the next decade.

With such divergent interests it is hardly surprising that governments feel that the way towards even a simplified energy policy will be filled with difficulties. First steps should be taken later this month when energy ministers from the Nine will be asked to adopt energy-saving measures designed to keep oil consumption over the next two years down to about 10 per cent below its 1973 level.

All the members of the Nine, even those with a high degree of self-sufficiency or the prospect of self-sufficiency in the future, are agreed that conservation is of vital importance. Agreement on this uncontentious subject could pave the way for settling a policy on the financing of new sources of energy and guaranteeing investment in high-cost indigenous oil and gas such as the North Sea.

Previously, the Community had been committed to sharing energy resources in the event of another international reduction in oil supplies and has also established new levels of oil stocks that should be held by each nation. In this area the work of the Community energy planners is quickly being overtaken by the progress made by the 18-nation International Energy Agency (IEA).

Although France has declined to join the agency it works very closely with the Paris-based organization. The virtue of oil sharing within an organization that includes most of the major consuming nations is obvious to EEC members and there has been little opposition to allowing the IEA to set the pace and stan-

The IEA began life towards the end of 1974 as the oil consumers' answer to the Organization of Petroleum Exporting Countries (Opec) and initially was concerned with building up an effective emergency oil-sharing scheme. The treaty that established the agency did, however, provide it with a much wider role in developing alternative energy resources and consulting with the oil producing nations.

What originally were seen as fringe activities to make the IEA appear less provocative to the oil producers, are now beginning to occupy a much larger part in the operations of the agency. International research contracts are now being awarded, some in areas where the EEC is active. The relationship between the two bodies in this area has to be more fully explored.

If the EEC adopts energy-saving procedures, oil consumption next year will be 3 per cent below original expectations and 5 per cent below forecasts for 1977. The Community has taken consumption in 1973—the year in which the energy market began to undergo its traumatic change—as the benchmark for its calculations.

Without a renewed effort in energy conservation, the Community planners estimate that oil consumption in 1977 would reach 520 million tonnes, of which 495 million tonnes would be imported. Special savings measures could reduce the overall oil demand to 495 million tonnes and imports to 470 million tonnes, compared with 590 million tonnes of imports in 1973.

After 1977 Britain's growing oil production should help to improve the EEC statistics but will do nothing for individual members of the Community. It is now generally accepted that Britain will maintain complete sovereignty over its oil and any surpluses that are exported into northern Europe will be priced on a par with cargoes shipped in from the Middle East.

The soaring price of oil has encouraged other members of the Community to search for indigenous oil. Denmark has a tiny oilfield in production in the North Sea, and so far the West German and Dutch sectors have failed to produce any significant finds. France has licensed large offshore areas in the Mediterranean, off its west coast and in the western approaches where an intensive drilling programme has started.

Outside the Community, Norway has the capability of becoming a net exporter of oil. Traces of oil have been found by Sweden in the Baltic while Spain has a small offshore field operational in the Mediterranean.

Natural gas should play a greater role in meeting Europe's energy demands over the next 10 years. Holland is the centre of a supply network reaching as far south as Italy. West Germany, France and Italy all have small indigenous resources and France periodically puts pressure on Britain to link its extensive natural gas transmission network into the European distribution system through a pipeline under the English Channel.

Norwegian gas has been sold to a consortium of EEC gas utilities and substantial supplies are already being pumped into the European network from the Soviet Union. In addition, natural gas in liquid form is imported from North Africa and there are ambitious plans to buy Iranian gas through an exchange deal with Russia. Further supplies of Iranian gas may be piped to Turkey, where it will be shipped to Europe in liquefied form.

Britain and West Germany are the only two European countries that have retained large coal industries. The EEC wants to maintain indigenous production and also step up the level of coal imports from Poland and other sources.

In France, where the coal industry has been dramatically run down, nuclear power is seen as the way out of the stranglehold of imported oil. But these ambitious plans have run into environmental problems. Without the French commitment to nuclear energy the EEC's hope of producing half the Community's electricity by building nuclear power plants generating 200,000 megawatts of energy by 1985 is unattainable. Many experts doubt whether Europe has the resources to build a programme of this size in such a short time, and the ability of European manufacturers to provide the published programmes of the individual members, which amount to 160,000 megawatts of energy of installed plant by 1985, has been questioned.

The author is Energy Correspondent, The Times.

Fifty leading European companies

The following letters are used to indicate countries: A—Austria; B—Belgium; D—Denmark; F—France; G—Germany; I—Italy; N—Netherlands; S—Sweden; Sw—Switzerland.

Rank	Name	Country	Main activity	Sales 1974 £m	Sales 1973 £m	Reported profits after tax 1974 £m
1	Royal Dutch Petroleum Company	N	Petroleum products	8,236.5	4,444.5	686.5
2	Philips' Lamps Holding	N	Electronic and electrical goods	4,308.0	4,247.2	125.1
3	Cie Française des Pétroles	F	Petroleum products	4,109.1	1,729.0	135.8
4	IRI	I	State industry holding	*3,956.8	3 073.6	—
5	BASF AG	G	Chemicals	3,804.4	2,623.0	91 9
6	August Thyssen-Hütte AG	G	Iron, steel, chemicals	3,740.8	2,101.2	27.2
7	Hoechst AG	G	Chemicals	3,575.4	2,610.6	113.5
8	Unilever NV	N	Food products, detergents, animal feedstuffs, toilet preparations	3,419.1	2 855.2	85.7
9	Telefonaktiebolaget LM Ericsson	S	Telecommunications	3,406.0	2,813.5	112.0
10	Bayer AG	G	Chemicals	3,341.4	2,460.9	109.9
11	Veba AG	G	Chemicals, electricity, glass, transport services	3,197.2	2 206.5	55.0
12	Siemens AG	G	Electrical and general engineering, electronics	3 048.8	2,734.5	89.2
13	Volkswagenwerk AG	G	Motor vehicles	3,008.1	3,005.7	loss 142.9
14	Nestlé Alimentana SA	Sw	Food products	2,796.3	2,762.0	124.8
15	Daimler-Benz AG	G	Motor vehicles	2,395.6	2,183.5	45.9
16	Mannesmann AG	G	Iron, steel, mechanical engineering, chemicals	2,332.4	1,760.4	45 6
17	Pechiney-Ugine Kuhlmann	F	Aluminium, chemicals	2,132.5	1,557.7	57.6
18	AEG-Allgemeine Elektrizitäts-Gesellschaft AEG-Telefunken	G	Electrical engineering, electronics	2,121.8	1,915.6	loss 117.5
19	Petrofina SA	B	Petroleum products	2,087 5	1,395.6	59.3
20	Ruhrkohle AG	G	Coal mining	2,070.8	1,504.4	—
21	ENI Group	I	State owned (oil, chemicals, engineering, textiles)	*2,006.9	1,440.3	—
22	Cie de Saint-Gobain Pont-à-Mousson	F	Glass, chemicals	2,003.9	1,510.7	67.5
23	OIAG-Osterreichische Industrieverwaltungs-AG	A	State industrial holding	2,000.0	1,419.7	77.8
24	Deutsche Shell AG	G	Petroleum products	1,981.4	1,390.8	24.2
25	Rhône-Poulenc SA	F	Chemicals	1,967.4	1,401.2	99.8
26	Esso AG	G	Petroleum products	1,946.9	1,486.7	55.6
27	Finsider SPA	I	Steel	1,678.3	1,149.5	10.6
28	Fiat SPA	I	Motor vehicles, aircraft	1,863.9	1,657.4	—
29	Gutehoffnungshütte Aktienverein	G	Mechanical engineering, electricity, iron, steel, building	1,849.6	1,581.6	10.3
30	Akzo NV	N	Chemical fibres and pharmaceutical products	1,833.2	1,604.4	64.7
31	Salzgitter AG	G	Iron, steel	1,742.6	1,279.5	9.3
32	Estel NV	N	Steel	1,737.3	1,329.3	55.0
33	Electricité de France	F	Public utility	*1,697.3	1,509.5	loss 4.3
34	Denain-Nord-Est-Longwy	F	Steel	1,656.3	1,175.8	21.0
35	RWE AG	G	Public utility	1,644.4	1,382.8	68.5
36	Pirelli/Dunlop Union	I	Tyres, rubber products	1,595.0	1,336.0	25.3
37	Ciba-Geigy AG	Sw	Pharmaceuticals, chemicals, dyes	1,571.9	1,371.6	19.4
38	Aral AG	G	Petroleum products	1,548.1	1,201.8	3.5
39	Cie Générale D'Electricité (CGE)	F	Electrical engineering	1,526.4	1,233.9	9.7
40	Hugo Stinnes AG	G	Liquid and solid fuels	1,502.5	1,054.9	9.2
41	Montedison Group	I	Chemicals, pharmaceuticals, metal products, etc	1,518.9	770.9	52.9
42	Cie Française de Raffinage	F	Oil refining	1,464.9	626.6	—
43	Rheinstahl AG	G	Steel, coal, shipbuilding, motor vehicles	1,426.5	1,107.5	loss 0.7
44	East Asiatic Co	D	Shipping, food products, global traders, plantation owners	1,423.2	1,324.8	7.8
45	Shell Française	F	Petroleum products	1,406.8	709.2	—
46	Peugeot SA	F	Motor vehicles	1,406.4	1,201.1	25.2
47	Flick Group	G	Iron, steel, mechanical engineering	*1,390.2	1,170.6	10.5
48	Deutsche BP AG	G	Petroleum products	1,268.4	929.0	(2.0)
49	Karstadt AG	G	Department stores	1,266.9	1,136.0	22.4
50	Brown Boveri & Cie AG	Sw	Electrical engineering	1,249.1	1,215.1	5.8

* 1973 figures
Based on The Times 1000, 1975-76, edited by Margaret Allen.

Growth opportunity is far too good for Americans to miss

by Derek Harris

The United States has rather more than $26,000m (£13,000m) industrially invested in Europe, excluding the United Kingdom which accounts for another $11,000m or so. The latest available figures for total United States investment abroad is $107,200m.

These totals reflect only book values. If inflation factors were built in, the figures would be far higher.

The giants among the multinationals, from Exxon to IBM and Corn Products Company to Colgate-Palmolive, have been joined in recent years by a legion of lesser corporations, from H. J. Heinz to Gillette, in putting money into Europe.

But things are not what they were for the Americans in Europe. IBM may still be dominant in computers because of its capital and technological base and much American investment will be paying off in developing offshore oil in the North Sea. Nuclear power is another high technology in which American companies like Westinghouse could continue a dominant role. However, problems are mounting for many United States giants.

The days of the high-value dollar advantage in Europe are a faint enough memory now that floating currencies have seen the American currency devalued—a process that first started to cool off American investment in Europe and also made investment by the Europeans in American concerns increasingly attractive.

Until 1973 United States direct investment abroad grew consistently. In the 10 years to 1972 the average annual increase was £33.5m, with a peak in 1970 of £725m. What a United States Department of Commerce analysis subsequently showed, however, was that the rate of increase of United States investment abroad was easing after 1966.

Investment into the United States from abroad, on the other hand, had an increased growth rate, although year-by-year figures were erratic.

The value of the dollar is only one factor. The gap between unit costs in Europe and the United States is no longer what it was and in some cases—West Germany and Sweden are examples—has almost disappeared.

Even so, the European market, in many sectors with a higher potential growth rate than that of the United States, is far too good for the American companies to miss.

There may be less in the way of margins to play for but other geographical areas, like lower-cost Third World countries or a fast-developing market like South America, bring their own problems.

Many multinationals have paid a heavy price in currency exchange losses in some South American locations as the local currency has been shatteringly devalued. Political instabilities in areas like Africa, or even the Middle East, can sometimes make investment decisions look like a game of Russian roulette.

But the biggest single difficulty for the American company in Europe, in these inflationary times, is that return on capital is not usually sufficiently great to fund further significant investment. Yet, with a growing capital shortage in America, such returns are needed if European expansion is to continue.

Retained earnings of the American giants have been diminishing inexorably. United States industry as a whole has doubled its ratio of liabilities to net worth over the past 20 years. The long prophesied capital crunch is now a reality.

It means, more than anything else, an uncertainty on the path American company investment will take in Europe in the future. With official United States figures well behind in what is now a faster moving game, one is forced to a study of individual cases as prime indicators.

There are difficulties in this, as shown by the case of Chrysler. This motor manufacturer is arguably at one end of a scale. It patently wanted to reduce its European operation.

But, in an era of high cost and increasingly scarce energy resources, nobody could argue that car sales in the longer term appear an expansionist sector. Both General Motors (with Vauxhall in Britain and Opel in West Germany) and Ford (with its British and West German factories) were moving towards greater integration of their European operations.

Again Chrysler has special problems in the United States. Its European jitters seem to have arisen largely because it has been getting things wrong not only on this side of the Atlantic. So this company, although it may not turn out to be the last case of its kind, is probably still not a standard by which to judge most American investors in Europe.

Nor arguably should one rely too much on the other end of the scale—one of the oil giants, say, with its immediate and quite likely highly profitable involvement with North Sea exploitation. This is a special situation where high investment could be expected. The special strengths of a company such as IBM, which has some 50 per cent of the European computer market, are also not typical.

Nearer middle ground in such a scale is the Eaton Corporation of Cleveland, Ohio. It has worldwide sales of £875m in motor components, energy transmissions, industrial trucks, locks and consumer durable controls. Of those sales Europe contributes some 17 per cent.

The company has a big investment stake in Europe. Since 1971, either in equity investment buying up existing companies, or in development of new facilities, they have spent some £52m.

Rather less than a third of that was in the United Kingdom. More than $13m is still committed to 1976 development and has not been cut back despite difficulties in many of Eaton's market sectors.

Still being built is a $25m lorry transmissions factory near St Nazaire, due to come on stream at the beginning of 1977. It will initially provide 600 jobs.

Of the company's 20 manufacturing plants on the European mainland, the heaviest concentrations are in Italy and West Germany. Eaton, in fact, is stitched into the fabric of European industry more closely than many American companies.

At the moment Eaton is locked in an internal debate on where it goes in Europe once committed investment has been translated into productive factory space. It has already said it will be looking long and hard at future investment.

What worries some of the top Eaton men are European profit margins; so slim that even current facilities and equipment cannot be kept up to scratch. Against that Europe presents the possibility of growth in lorry components at least double that expected in the United States.

The trouble with inflation, however, is that it gears up the need for cash, which demands either increased profit margins or reining back on capital spending.

Differences likely to disappear

A question often asked among American companies is whether some countries in Europe offer a more profitable home for investment than others.

Within the EEC at any rate, as that entity develops, whatever differences there are will probably disappear over a period. Even now they may be less than some think.

Eaton's European regional director for truck components, Mr Drago Volowsek, feels that there is less to choose now between one country and another. In terms of working methods and style he found West Germans were more "straight line" efficient, Britons more imaginative—"at the end of a year you get about the same result in each country by different routes"—the northern Spanish very efficient.

It is not simple to compare one country with another in terms of real unit wage costs. The Federation of Swedish Industries found this out when it mounted an investigation of such costs in Europe, spurred by Sweden's increasingly worrying reputation as a high-cost country.

It worked on 1970 figures and simple total wage costs put the United States at a scale figure of 138, Sweden at 100, West Germany at 80, the United Kingdom at 55, and Japan at 31.

The Swedes went to considerable lengths to build in an assessment of the relative efficiency of each country's industries and the general economic health. The unit wage costs they came up with then were United States 101, Sweden 100, West Germany 80, United Kingdom 143, Japan 93.

If the last set of figures have any relevance it is in emphasizing the near disappearance of one other argument for American companies to produce in Europe—that it can be so cheap that it pays to produce in Europe even to supply the American home market.

But on whatever grounds the Americans may question their continued expansion of investment in Europe, their industrial presence is more likely to grow, if at a slower rate, than decline. One of the Eaton companies, Caterpillar Tractor, one of the biggest makers of earth-moving equipment in the world, only a short time ago announced a new multi-million-pound expansion in Leicester.

Commission's full support for worker participation

The stringencies of recession may have given European managements an easier run than for some time in their industrial relations, but the march towards co-determination in industry is still going on. The prospect of real power-sharing with workers, nearest in West Germany and Sweden, is alarming many industrialists.

It could be argued that the march is showing signs of faltering. The European Commission, for instance, has pulled back from recommending a sudden imposition of worker participation to EEC governments. Instead there will be a 10-year transitional period during which workers would be given only gradually greater management power.

But the Commission's recent green paper has nevertheless backed unequivocally the principle of worker participation in company affairs. With the idea of a uniform company law throughout the Community, now dropped in favour of a flexible convergence of national legislation, it leaves open for national debate the precise forms of worker participation.

Two-tier boards, with full worker representation on the supervisory board, will not therefore be imposed either immediately — which had been the Commission's aim originally—or even eventually. Non-executive directors representing worker, as well as other than shareholder, interests, equally could be built into a company's main board.

But the Commission is much in favour of worker councils already backed by legislation in France—to influence the conduct of a company, including its major policy decisions.

Another argument for there being hesitancy in the march is the obviously mixed feelings of some trade unionists who are not happy at the idea of a worker director being transferred into a boss. The short-term problem of finding workers up to the job of making crucial decisions on company affairs also simmers just below the surface of trade union opinion as well as being an issue among many industrialists.

Mr E. Mandell de Windt, chairman and chief executive of the United States-based Eaton Corporation—the multinational motor components, energy transmission and durables firm which has a £50m investment stake in Europe—has gone on record as saying that the trend towards a fifty-fifty arrangement on European company boards is causing his company "a great deal of concern".

But that company's experience of the two-tier board system in West Germany—pacemaker within the EEC in the march towards codetermination—has not proved unhappy. Mr de Windt's estimate was that it was possible to make it work effectively. Eaton's management talks from experience for it has six main manufacturing units in West Germany.

The question emerged more starkly earlier this year when Volkeswagen's supervisory board had to consider the company's redundancy plans. These were hotly contested by the employee block. But they were outvoted as can happen throughout most of West German industry where supervisory boards at present consist of one third employee representatives and the rest shareholder-nominated representatives.

But the West German Government is now moving towards introducing into companies of more than 2,000 employees a fifty-fifty arrangement, similar to that which has been operating in the country's coal and steel industry for more than 20 years.

Insecurity and a tougher time

If Volkswagen had been operating in that way, the redundancies clash could easily have developed into a major confrontation. On the coal and steel industry pattern a neutral chairman could have resolved the voting issue, but the Government's latest ideas would diminish even this safeguard by having supervisory board chairmen voted in by the rest of the board.

West German unions point to the fact that the supervisory boards in coal and steel have worked tolerably well. They feel, rightly, that union representatives have shown themselves to be willing to cooperate, and generally to act sensibly, according to the overall needs of an enterprise.

But for one thing these were the good years of the West German economy. The situation is a lot tougher now as workers who have looked for a bigger slice of the cake feel increasingly insecure as unemployment soars.

The jobless total in West Germany is expected to average about a million this year and next, and leading trade unionists now want the Government to intervene more decisively to structure weak areas of the economy like the electrical and motor industries. Otherwise they foresee large-scale unemployment, with all the stresses it brings to industrial relations, continuing for some years.

Industrialists also question on other grounds the apparent viability of the 50-50 coal and steel system. They theorize that some trade union leaders may have been delaying action in that sector until the system spread to the rest of industry.

Only at that point, the industrialists think, will the trade unions exert what will then be their real power.

While right-wing industrialists particularly talk in alarmist terms of the workers seeing codetermination as only another step on the road to total control, the unions lately have shown what they regard as restraint in West Germany on wage claims.

A 6 per cent increase in the iron and steel industry was agreed last month as the inflation rate for next year was being forecast at 5 per cent. But, with investment lagging, industrialists have been saying that 6 per cent is too high and must not be allowed to set a national pattern.

If what the unions regard as restrained wage settlements are to damp investment, thus keeping the national economy sluggish and therefore leading to continuing high unemployment, more stresses are bound to appear in industrial relations.

If this is the prospect for West Germany, to which the industrialized world is looking as a main generator of recovery, the picture will inevitably be less happy in other EEC countries. In France both employers and unions have been fearing for months a slide into an economic dark age as unemployment topped a million and company bankruptcies jumped about 24 per cent over a comparable period of last year.

Everybody is still waiting to see how far the Government's September reflationary package will move the economy into a higher gear and particularly whether inflation can be restrained. If it is not the pressure for wage rises—earlier this year up 20 per cent on last year—will inevitably be resumed.

At least in France legislated works committees will be able to see from company balance sheets what the present situation is and where a company's breaking point financially may be when they frame their demands. But in The Netherlands, for instance, there could be a more old-fashioned confrontation between management and labour, with the legislation-backed workers' councils having no legal right to look at the books or influence major company decisions.

A reshaping of management-worker relations is being attempted in the major European countries at a difficult economic time. There is not even much comfort from the country that is probably farthest along the road, Sweden. There the chances are that in January, 1977, workers will have the right to question and halt any management decision at various levels.

Even the most sanguine industrialists there foresee a consequential slowing in the decision-making progress in companies.

But most managements and unions there are already tackling the problems—such as education of union representatives — rather than avoiding the issue. Although the precise forms of worker participation may vary from one country to another, the major European countries all seem likely to have to follow a similar philosophy eventually.

Whether it would lead to problems being thrashed out before reaching a strike issue, and to workers particularly accepting socially harsh solutions like redundancies or Draconian wage restraints, remains to be seen

D.H.

Japan's web likely to widen in next few years

by Peter Hill

One of Japan's largest trading companies, Mitsui & Co, has nearly a score of branch offices and representatives offices throughout Europe. These offices, some of which are in Eastern Europe, are the eyes and ears of Mitsui in Europe, reporting to and dealing directly with the company's European headquarters in London.

That Mitsui should have such a network of offices in Europe is not surprising as it began business in Europe with an office in Paris nearly a century ago and opened its first London office in 1880. Where Mitsui blazed a trail, other companies have followed, particularly since the real move forward in terms of Japanese foreign investment took place in the early part of the 1950s with investment in the United States by the principal trading companies.

Since then there has been a modest growth in overseas investment by the Japanese companies although it was constrained by government capital outflow controls and the modest growth was replaced by a burst of activity in the early 1970s. Total worldwide investment by Japan now amounts to more than $12,600m and about 60 per cent of the total was committed in the fiscal years 1972 and 1973.

Upward trend will continue

There has been a slackening in the pace of foreign investment since then, but the overall trend will continue to be upwards and estimates by independent forecasting organizations in Japan have intimated that by the end of 1980 total foreign investment will range between $23,600m and $44,900m. By the end of the present decade Japanese foreign investment could be more than that of France, West Germany and Britain with the funds covering the whole gamut of investment from manufacture of zip fasteners and assembly of colour televisions in Britain, to shipbuilding and steel production in Latin America, textile production in South-east Asia and a whole range of banking, insurance and related financing activities throughout the world.

Total Japanese investment in Europe is valued at slightly more than $2,000m with a large part accounted for by the activities of the banks and trading companies. Manufacturing investment is fairly small with about $35m invested in chemicals, $37m in machinery production, $28m in iron and non-ferrous metals, and about $24m in foodstuffs.

Japanese investment in Europe accounts for about 19.4 per cent of total Japanese investment ranking after North America (24.4 per cent) and Asia (23.3 per cent) while investment in Central and South America represents some 17.6 per cent of total Japanese foreign investment.

Japanese overseas investments have been influenced by a number of factors, not least the need for the island nation to secure its raw material resources, particularly in the energy and mining sectors. But foreign investment has been prompted also by the rapid rise in labour costs in Japan and by the growing shortage of labour-intensive industries—textile manufacture, for example—have switched to areas where labour overheads are much lower and where there is a vast pool of workers.

Much of this labour-intensive investment has therefore gone to Third World countries, although demands that local government and interest should have substantial stake in foreign enterprises are proving to be something of a brake.

German cities, British regions and American states are all vying for investment by Japanese organizations. Since 1972 it has also been easier for Japanese companies to invest abroad, after relaxation of controls by the Bank of Japan. In the United States, and in Europe particularly, a further stimulus has come from the need to maintain a position in the market place and some firms have found it more advantageous to construct plants closer to the markets previously served by exports from Japan.

A further influence on the move towards direct investment has been the fear of increased protectionism coupled with a willingness to accept investment rather than increased export volumes from Japan. But the Japanese invasion of Europe, which seemed likely at one time, has not been realized although it is clear that companies are looking carefully at investment prospects in the medium term.

In Britain there are Japanese companies producing zip fasteners, plastics, and fire alarm systems, while Sony is assembling colour television sets in South Wales, and Hitachi plans to assemble stereo equipment in the South-east and Nippon Seiko Kaisha plans to begin production of ball bearings in the North-East.

The financial incentives are considerable, and the attraction of Britain as an investment base for Japanese companies is enhanced by the fact that the Japanese managerial staff do not have to overcome a further language barrier since most speak English as a second language.

Britain's closeness to the EEC market, and by EEC levels lower labour costs, make it doubly attractive with the only major doubt being over labour disputes.

Threat of new tariff walls

The experience so far should be encouraging. But a substantial slice of Japanese investment has gone to countries like Spain and Portugal where lower labour costs have been a big influence while European-based Japanese bankers see France, particularly the south, and Italy as being bright prospects for future Japanese investment.

The EEC area particularly is being viewed carefully by Japanese companies which are being made well aware of the tentative steps towards monetary and political union and eventual total economic and political integration. It is the threat of new tariff walls being erected by a fully integrated Europe that is behind the careful study being attached to the European market which has become so important for Japanese industry.

Although the 1974 fiscal year saw a 31 per cent fall in direct overseas investment by Japanese industry—and this year is expected to follow a similar pattern—Europe will clearly figure in a significant way when Japanese companies plan their foreign spending budgets for the early part of the next decade.

The author is Industrial Correspondent, The Times.

East-West collaboration promises benefits for others

by Donald Massie

During the recession, as trade within Western Europe showed signs of slowing its rapid growth of the past few years, an increasing number of companies have been starting to look east. West Germany has been most successful, with an extra push given by détente.

Indeed, trade with Eastern Europe has been the one area of real growth. But long-term interest is likely to involve bringing in Eastern European manufacturers as suppliers of some components in joint ventures.

In the first half of the 1970s East-West trade expanded impressively. Turnover between Eastern Europe and the developed market economy countries increased in real terms by almost 75 per cent between 1973 and 1974.

Last year such trade by individual socialist countries of Eastern Europe increased at rates ranging between 55 per cent as in the case of Hungary, and 31 per cent in Czechoslovakia.

A review by the United Nations Conference on Trade and Development (UNCTAD) finds that the expansion of East-West trade in terms of volume during the 1970s has been more regular than that of world trade. This may be partly ascribed to the long-term nature of East-West business arrangements which offer to participants the advantages of significantly increased stability of purchases and sales in an otherwise uncertain economic environment.

The trend in East-West trade last year was marked by an appreciable rise in the participation of the smaller countries or of countries which in the past had had limited involvement in such trade.

The depressing effects on world trade of the recession in the West appear to have restricted the rate of growth of East-West trade in the second half of last year. Moreover, the adverse effects of world price inflation on the balance of payments and the terms of trade of a number of countries in both East and West undoubtedly contributed to the slow-down.

Both of these factors appear likely to have affected trade this year. However, incomplete trade statistics for January-April 1975 appear to indicate that such factors may be offset by the trade-generating effects of the customary drive in Eastern Europe to ensure fulfilment of production targets in the final year of the five-year plan, and by the emphasis placed in the West on the promotion of exports in order to compensate for slackening domestic demand and to reduce trade balance deficits.

This is not to minimize the potential threat to the continuous growth and evolution of East-West trade and economic relations posed by the temptation to adopt restrictive policies in response to difficulties. Such measures could lead to the abandonment of innovations which in the best of circumstances require careful nurturing.

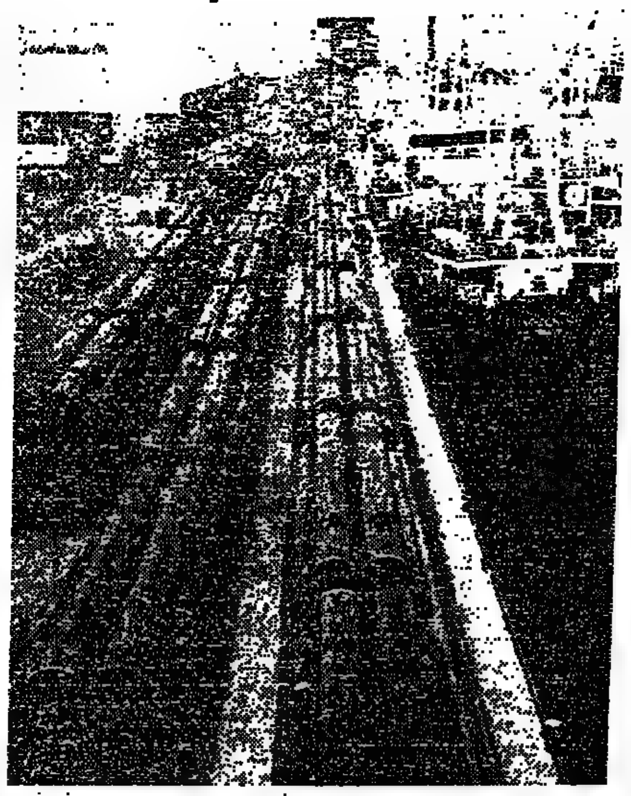
Contrasting sharply with recession in the West, industrial output in Eastern Europe and the Soviet Union may be 7 per cent up for the year. But because of the growing deficit in the communist countries' trade with the West, the United Nations Economic Commission for Europe questions whether the communist countries can sustain the high rate of import growth associated with such an output.

Poland, for example, has been importing huge amounts of western goods and technology in the hope that it could make big sales in the West to start to pay off its debt. But the West's recession has left Poland without a healthy market and with a big trade deficit.

Despite the sale of arms for ready cash, the Soviet Union's deficit with France, West Germany, Italy, the United States and Japan is running at a rate of nearly $4,000m (about £2,000m). Poor harvests throughout Eastern Europe, too, have necessitated the import of grain from the West and have caused the Soviet Union to buy almost 20 million tons of grain. The Russians are thought to have sold about 130 tons of gold in their endeavour to obtain hard currency.

Coinciding with rising inflation in the West, which raised prices for capital goods imported by Eastern European states, was the sudden increase of 130 per cent in Soviet crude oil prices to member countries of Comecon (the Council for Mutual Economic Assistance, comprising the Soviet Union, East Germany, Poland, Hungary, Romania, Bulgaria, Czechoslovakia, Mongolia and Cuba).

Trade figures show huge increases in the bills Comecon countries are paying to the West. Hungary's bill is up 69.6 per cent, Bulgaria's more than 60 per cent, Poland's 53 per cent, Romania's 47 per cent, Czechoslovakia's 40 per cent, East Germany's 32.8 per cent. These countries need to import advanced machinery and equipment from the West to modernize their economies.



Heavy tubes for Russia being loaded at Bremerhaven.

The Soviet Union supplies most of Eastern Europe's oil and basic raw materials. There were increases, too, in the prices of other Soviet raw materials. Nearly all the smaller members of Comecon saw the prices of their imports from the West rise faster than the prices of their exports to the West. But Poland and the Soviet Union in particular have enjoyed improved terms of trade.

Mr Eric Deakins, Joint Under-Secretary of State, Department of Trade, has said that Britain has a surplus in trading with a number of East European countries largely as a result of their own exports to Britain falling off because of the recession in Britain and other industrial countries.

Mr Deakins said that if the recession ends next year and world trade improves, the exports of East European states to Britain, France and other industrialized countries should increase.

Because of the need for greater efficiency brought about by the vastly increased bills for imports from the West and from the Soviet Union, Moscow is increasing its control on imports. There is some opposition, notably from Romania which pursues a strong independent line, resisting Soviet pressures for more integration in specific industries.

Some other Comecon states are similarly apprehensive of this economic centralization and about Moscow appearing to direct relations between Comecon and the EEC.

World market changes have forced Comecon to make its trade price system more responsive to world trends to stimulate the production of goods which East Europe needs. For a long time such reforms of basic trade have been recommended by Hungary and Poland. Czechoslovakia faces difficulties as a heavy importer of raw materials at much higher prices.

The Foreign Trade Ministry in Moscow has moderated the effect of world oil price inflation on Comecon importers. Trade in Eastern Europe has expanded more than production; overall growth in Comecon has led to higher import needs.

At the same time this economic growth has strengthened the export potential of Eastern European countries. There has been a big increase in the export of industrial products, particularly machinery and equipment, while high rates of growth were recorded in imports of raw materials, food and energy.

Foreign trade is likely to increase greatly with Third World countries. The annual growth rate of East-West trade turnover increased from 9 per cent in 1971 to 16 per cent in 1972; in 1973 it rose by a further 37 per cent, and in 1974 by 44 per cent.

The governments of Britain, France and West Germany have taken measures to facilitate East-West trade by raising the level of import quotas and making more goods exempt from licensing requirements.

Fourteen 10-year economic cooperation accords were signed last year; most of these involved EEC countries. An important example this year is the 10-year agreement signed by Britain and the Soviet Union in February. In addition to setting forth the various organizational forms which cooperative arrangements between institutions in the two countries may take, the agreement lists a number of specific projects which the signatories regard as fruitful objects of cooperation.

There has been a steady increase in the number of contracts with western partners to carry out big projects in Eastern Europe. The Russians, for example, concluded two £500m agreements; one was with an Italian enterprise in petrochemicals and engineering; the second was with a West German consortium for an integrated steelworks.

With the lengthening of the maturity period of East-West loans to eight years or more, the United States Export-Import Bank loaned $180m (£90m) for a fertilizer plant to be built in the Soviet Union.

The UNCTAD report noted that the significant increase in East-West trade has helped to make the process of détente irreversible.

Eucorg, the European Cooperation Research Group, was set up in 1973 to further contacts between Eastern and Western Europe, and to collect information that will help to define the most suitable areas for cooperation.

East European countries, which are running short of oil, are putting new emphasis on coal. A quarter of Poland's coal output is exported to pay not only for the country's increased oil bills but also its soaring deficit in trade with the West where three fifths of its coal exports have been going. An unprecedented eight million ton increase in output of coal by Poland was planned for this year.

Hungary has switched to using coal in hundreds of new installations which were originally going to use oil. Romania has been saved so far by its own oil resources from the need to import Soviet oil.

East-West trade is still heavily dependent on primary products from the Comecon countries, though the amount of manufactured goods is increasing. The increase in East-West trade since détente has involved a shift to a much larger proportion of trade in chemicals, machinery and equipment and other manufactured goods.

This shift has been most pronounced in western exports to the East, especially in high technology machinery and equipment. Détente has brought an expansion of economic relations, including a greater exchange of services, production technology and managerial and marketing knowledge, as well as joint research, production, commercial and financial undertakings in the markets of both East and West or the Third World, and even shared investment.

UNCTAD believes that East-West research and development programmes may also generate technology of a more wide-ranging relevance. The application of western technology in Eastern Europe may also yield technical developments which may be of use in meeting the more standardized and less capital-intensive requirements of the developing countries, which may not coincide with those of domestic demand in the countries where such technology is generated.

An interesting example of methods for securing the value of deferred repayment, which might be appropriate in the context of the recycling of surplus balance of payments liquidity, is the initialled bilateral agreement for cooperation in building a nuclear station in the Soviet Union, to be repaid in electric power supplies to West Germany beginning in the 1980s.

The expansion of East-West trade and economic cooperation is most likely to induce trade-generating effects in the developing countries as production expansion and modernization based on that trade will raise the demand for industrial raw materials and semi-processed goods imported from the developing countries.

By June, 1975, the UNCTAD secretariat had identified more than 80 tripartite trade projects, either

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Motors: firms brace themselves for rocky road ahead

by Peter Waymark

Since the oil crisis erupted in the autumn of 1973 motor industry men have been debating whether the slump in car sales which followed was going to be a temporary phenomenon that would pass in a couple of years or whether it would leave deeper scars. Two years afterwards it seems that the forecasts are getting gloomier.

The industry's immediate reaction to the threatened shortage of oil and the prospect of soaring petrol prices was to see it as a short-term difficulty. Once motorists recovered from the first shock, it was argued, they would realize more than before how much they depended on their cars, and the market would soon revive.

The flaw in this argument was that it ignored the more general economic recession, which pushed up unemployment and left those still in work battling with inflation. The motorist was not only paying more for his petrol; new car prices rocketed, so did the cost of servicing and repairs, and so, in turn, did insurance premiums.

Little inclination to give up cars

In face of this onslaught on his pocket the motorist has shown little inclination to give up his car, so on that score the manufacturers were right. On the other hand, he is no longer automatically trading in his vehicle every two or three years and, if he does decide to change, he is more likely than before to buy secondhand.

In June, 1974, Mr Richard Gerstenberg, then chairman of General Motors, optimistically predicted that the car market would be back to its 1973 level in two to three years and then go on to new heights. A year later Signor Umberto Agnelli, the shrewd managing director of Fiat, was less sanguine: "Our expectations are that the market in Europe is going to equal the market of 1973 only in 1979." No one seriously contradicts him.

There are signs that the worst of the recession may be over, although the pace of recovery will vary from country to country. In West Germany the increase in car sales seems well established. New vehicle registrations in October were the highest recorded for that month and in the first 10 months of the year 23 per cent more cars were sold than in 1974.

There are encouraging noises, too, from Italy. Fiat reports strong demand at home for its new 131 Mirafiori and the Lancia Beta and a sales revival in important export markets like Germany and Scandinavia.

The company has told the unions that it can guarantee present employment levels throughout 1976 and for the first time in two years it is to take on extra labour. There is no prospect yet, however, of either production or employment returning to pre-crisis levels.

The French recovery has so far been more muted and though sales of new cars have at last started rising, demand is running well below the peak of 1973 and no one is prepared to predict when a sustained improvement will come. In Britain, the car market may not even have reached its lowest point and the industry forecasts that new registrations in 1976 are likely to be lower than this year's.

Against this uncertain future, the industry must arm itself as best it can. A glance into the crystal ball suggests that by the 1980s there will be fewer independent companies making a smaller range of models, more joint ventures across national boundaries and a larger measure of state control.

The next few years will see an intensification of the trend for bigger companies to absorb smaller ones, resulting in a single integrated range of cars. The process is already at work in Fiat-Lancia, Volkswagen-Audi-NSU and Volvo-Daf, while British Leyland has still to complete its rationalization of formerly independent and competing units such as Austin, Morris, Rover and Triumph.

Companies will offer the buyer a smaller choice and ranges will be based on the minimum number of different bodyshells, engines and other main components. British Leyland is trimming its range to only five saloons and three sports cars by the early 1980s while Fiat and Lancia together may present no more than four or five basic cars.

Even competing manufacturers will seek to spread costs by sharing design and development work. A model for this may be the technical agreement between Renault and Peugeot by which the companies have pooled research and standardized such parts as radiators, gearboxes and steering units.

Cooperation was taken a stage farther when Volvo of Sweden joined the French companies in setting up a new factory to build an advanced six-cylinder engine. The company, established by Citroën and NSU to develop the Wankel rotary engine, may have achieved little so far but it is another example of how costly research can be shared.

American companies operating in Europe will be looking to unify their operations still farther to get the maximum benefit from producing model lines on a continent-wide scale.

Ford has led the way with every new car since the Escort in 1968 being built to an almost identical design on both sides of the English Channel, and this trend will be even more evident next year when the mini Bobcat goes into simultaneous production in Dagenham, Saarlouis and Valencia.

General Motors has consistently argued the benefits of keeping the identities of its British (Vauxhall) and German (Opel) model ranges separate, while spreading development costs and making greater use of common components. Thus the Chevette has emerged as a mixture of Vauxhall styling, engine and gearbox and Opel brakes, suspension and steering. The Kadett/Chevette, in fact, can be said to be the first world car, variations having also appeared in Japan, Australia, Brazil and the United States.

With car manufacturers contributing so vitally to employment and exports, governments will be unable to stand aside if they should face collapse. This year British Leyland joined the growing list of European car companies under whole or partial state control, Chrysler has put its famous pistol to Mr Wilson's head and the French Government has been forced to assist Citroën. Unless companies are in the position of Fiat or Volvo of being able to fall back on other activities to lessen their dependence on cars, there may be several more calls on public funds before the decade is over.

The author is Motoring Correspondent, The Times.

Above: making Alfa Romeos in southern Italy. Right: Opel's car factory in Bochum, Germany.

Steel: faint gleam of hope

Towards the end of last month continental steelmakers saw some cause for optimism. This year has been a bad year for steel, the worst possibly since the 1930s, unequalled in the steepness of the decline which took place over a fairly short period, creating many disturbing side effects.

Fortunately for Europe, steelmakers elsewhere in the world have been similarly affected, although the degree of recession varies with the American and the Japanese steel industries labouring to weather the recession. Short-time working, redundancies, lack of orders, and mounting losses are by now a common feature of the steel industry.

The losses being incurred by steelmakers vary, too, but Britain's nationalized Steel Corporation, which accounts for the bulk of British crude steel production, lost £125m in the first six months of this financial year. With losses of £1m being incurred daily, the final loss figure could be £350m or more

Orders for steel have been running at low levels and generally speaking, compared with a year ago, order levels are down by at least 25 per cent, reflected too in depressed production totals.

Within Europe's economic community there has been growing pressure throughout the year for the Commission to activate measures in the Treaty of Paris—the legal bedrock on which the Community's steel industry operates—to alleviate the crisis in the industry by declaring a state of "manifest crisis".

There is throughout Europe a belief that the second half of next year will see some relief, with demand hardening once more. But any sustained recovery depends on a general improvement in levels of economic activity—with the United States, West German and Japanese economies providing the guide—which would encourage greater confidence and the upward movement in prices which is becoming desperately necessary if some companies are to survive.

What is the basis for the feeling that the upturn may already be on the way? The evidence is sketchy and tentative but late last month figures were published covering the level of orders received for rolled steel products in the six original member countries of the EEC. These showed that in October orders for these products were 17.6 per cent greater than in the previous month and 9.6 per cent higher than in the corresponding period of last year.

During October steelmakers in the old six-member EEC received orders totalling 6,980,000 tonnes compared with 5,940,000 tonnes in September and 6,370,000 tonnes in October 1974. These were the first increases recorded in more than a year, but the industry while encouraged, remains wary of attaching too much significance to them. There is still no conclusive evidence of an upswing and any real assessment will have to be made on the basis of a three or four-month pattern of ordering.

The prospects, then, for the future of the steel industry in Europe are intimately related to the prospects for general economic activity throughout the world and the common view is that any upturn will not take place until at least the second half of next year, although there may well be difference between countries on the timing and the rate of improvement. But the steel industries of Europe believe that it will be 1977 at least before they are moving back to more economic and profitable levels of capacity use in their plants.

On a country-by-country basis, most believe that next year will mark a turning point. The steel industry in Luxembourg, where crude steel production in the first six months of this year was running at 425,000 tonnes monthly compared with 537,000 tonnes last year, expects production to fall off further in the second half. Within the Belgo-Luxembourg Union the steel industries of the two countries estimate that consumption this year will be about 4,200,000 tonnes, rising next year perhaps to 4,700,000 tonnes with new investment next year falling to its lowest level for three years.

In the hard-hit French steel industry, much hope for the short-term future is based on the effects of the Government's pump-priming scheme implemented this summer when some 30,000m francs were injected into the economy in an attempt to stimulate investment demand. Steel consumption this year is likely to be about 20,220,000 tonnes, representing a sharp fall on the 25,230,000 tonnes produced last year, while steel industry forecasters have tentatively suggested that production next year might rise to between 24 million and 25 million tonnes.

The Italian steel industry is expecting a 30 per cent drop in steel consumption this year compared with last, with demand levels affected not only by the poor levels of activity in major consuming industries, but also by the massive reduction in inventory levels. The Italian steel industry expects therefore that consumption this year will be down to about 16,500,000 tonnes rising perhaps to between 19 million and 20 million tonnes next year.

In The Netherlands, too, there is a feeling that consumption will pick up again next year reflected in forecasts made by the Dutch steel industry recently which indicate that steel consumption this year will fall back to 4,710,000 tonnes, rising perhaps to 5,300,000 tonnes next year.

In Denmark, where a real gnp increase of 4 per cent is expected next year, apparent steel consumption in 1976 is expected to rise by about 10 per cent, equivalent to about 1,830,000 tonnes. Although it will be up on the estimate for this year, it will be down on last year's 2 million tonnes.

It is the West German economy which clearly is destined to play a major role in the economic revival which is hoped for among Europe's steel industry. But about 30 per cent of its workforce is on short time and investment levels are likely to fall. Steel companies in West Germany have forecast that steel consumption this year will be about 37,500,000 tonnes.

Outside the EEC, other steel-producing nations waver between the qualified optimism and downright pessimism for the future. In Sweden steelmakers expect demand to be weak throughout next year with consumption forecast to reach only about 6m tonnes compared with an estimated level of 6,150,000 tonnes this year and 6,260,000 tonnes last year. Norwegian industrial activity is expected to continue to run at higher levels than in other West European countries because of activity in the offshore oil and gas development sector.

Against the background of falling prices, the Spanish steel industry has been active in seeking to dispose of steel in export markets this year and has encountered problems over dumping of steel in Britain earlier this year.

There is then throughout Europe a feeling that next year will produce firmer markets and prices and if past trends of the steel industry cycle are repeated, 1977 should see a marked improvement in production and consumption.

P.H.

Construction: fighting for survival as recession continues to bite

by Cornelius Murphy

Construction is not one of the industries of Europe which will lend itself easily to the concept of international operations within the EEC. Companies necessarily concentrate upon their domestic markets, and think only of developing countries as their main outlets for activities elsewhere.

But there is a tendency for the construction industry throughout Europe to display similar symptoms in each country in the face of the wide economic forces at work. Throughout 1975 the common theme has been survival, but while the recession continues to bite severely, one or two faint streaks of light can be seen.

French builders, for example, are hoping that they have seen the worst. Unemployment rose sharply in mid-year, but a survey by the National Institute of Statistics and Economic Studies predicts a slight fall in the rate of unemployment and short-time working.

Moreover, the survey shows that the greatly reduced activity in both civil engineering and building has stopped its downward trend and order books are improving slightly. Cash flow has been improved by Treasury moves to obtain more prompt payment—a popular measure among French contractors—and September's reflationary economic package has helped to brighten the mood.

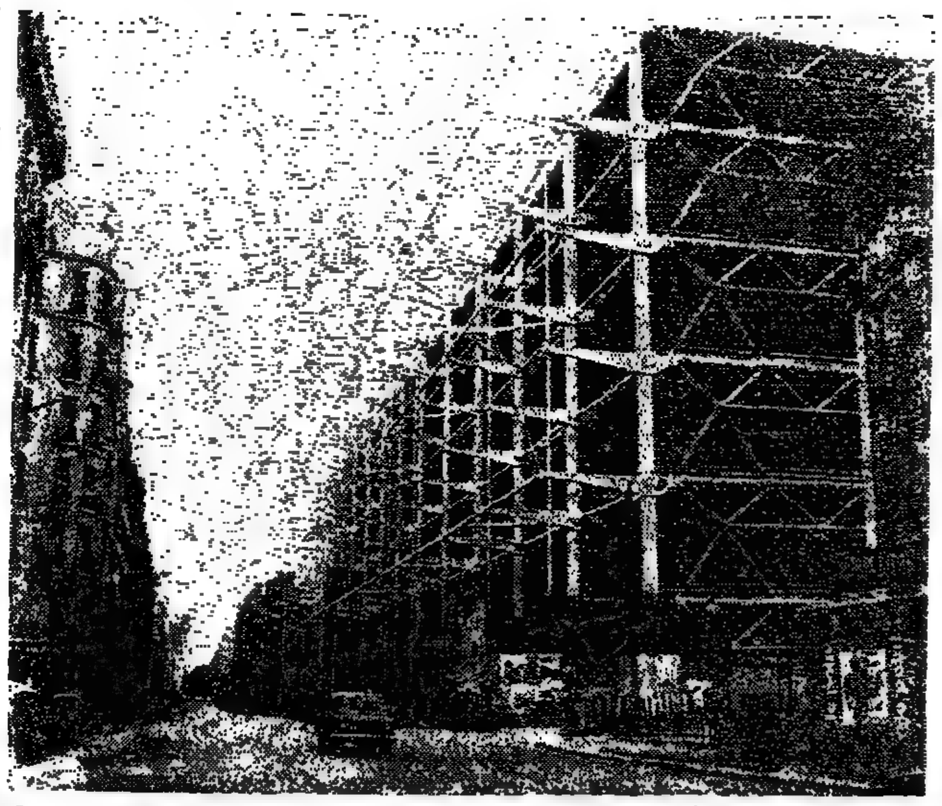
All in all, construction sentiment is less pessimistic than at the beginning of 1975, when most contractors were reporting a significant drop in workload.

Italy, too, is looking for government action, particularly in the public works sector, to counteract the effects of the serious setback of 1974 and this year. Sums earmarked for building expenditure this year amounted to 7,800,000m lire according to official expenditure forecasts for 1975-82. In 1976 new investment of 8,450,000m lire is planned. The Government is banking on recovery to about 3 per cent growth next year, but huge sums voted in the past have not always been used.

In the meantime residential building continues at a low level (about 200,000 houses a year), quite inadequate to keep pace with increasing needs. An increase in building activities of about 8 per cent in real terms is looked for in 1976.

The effect of the worldwide slump hit the Scandinavian countries later than most countries, so that while recession is being felt, its impact is still moderate.

Anti-pollution projects and other measures to protect the environment are being stepped up in Norway as part of the government scheme to keep up employment, and this has created some 7,300 new jobs.



Construction work goes ahead on the Georges Pompidou museum, near Les Halles, which will be the biggest cultural centre in Paris when it is opened next year. Right: housing development at Järafaltet, near Stockholm.

Investment in industry planned for 1976 is down only 5 per cent, and in fact building quotas will show a marked upturn. A year ago the building quotas set by the state banks for municipalities, industry and agriculture were reduced to cool an overheated economy. Later the combined quotas for 1975 were expanded from 750,000 sq metres to a record 904,000 sq metres, and the 1976 figure is 825,000 sq metres.

The Norwegian housing programme is also being stepped up. Starts will reach 45,000 units this year (an increase of 15,000) and next year's completions are expected to be a record total of 45,000 also. The national budget envisages an increase of expenditure in building of 16 per cent to 5,600m kroner.

However, in the first half of 1975 building for offices and shops decreased by 30 per cent, and industrial building fell by 12 per cent, so that Norway could be just beginning to feel the real bite of the economic blizzard.

Sweden, too, has concentrated on maintaining employment by a variety of public sector projects, and unemployment is very low. But the warnings are clear that unemployment must rise next year, as employers can no longer continue to keep on workers at low productivity levels. Many companies lost skilled labour during the last recession, and this has been a partial motivation for "storing" labour, as indeed has been new legislation designed to provide more job security for employees.

However, elsewhere in Europe the construction industries have been grappling with the realities of sheer survival. Housing output, the usual barometer to building output, shows the Belgian industry in a parlous state, running at about two thirds of last year's total. Other indicators of the recession are numerous. The number of apartment blocks built over 13-storeys high has decreased this year from 1,600 to just over 800, and there is a feeling that Belgium is at the end of its tower block era.

Brussels' super-abundance of offices will discourage commercial building on any great scale for some time to come. Workshops, factories, clinics, stores are showing a very clear recession. Industrial companies are either stopping or postponing investment in new plant and 1975 as a whole is showing a nil growth rate. Unemployment in the construction industry, at about 18,500, is 10 per cent higher than last year.

Speaking of the economic situation in general, Professor Baudhuin, one of Belgium's outstanding economists, said recently: "Without a regrowth in the construction industry all other measures seem to us to be useless and without doubt will remain ineffectual."

In the meantime the National Confederation of the Construction Industry has proffered a package of proposals to improve the situation. These include lowering the mortgage rate, augmenting subsidies to the construction industry, promoting ways of financing communal works, and indulging in a programme of improving houses to a higher standard.

There has been a sharp decline in building output in West Germany since the 1972 peak which followed five to six years of steady growth. Output in the first half of 1975 was down 12 per cent over the same period of 1974 and this pattern was unlikely to change markedly during the second half of the year.

The level of new orders for building construction in the first half of the year was 4 per cent higher than the same period of 1974 and reflected a high level of new orders for industrial and commercial building. Other building sectors were not so buoyant, showing a further decline compared with 1974.

Despite the high level of new orders the volume of building approvals granted in the first half of 1975 suggests that a further decline in building activity is likely. The decline in building approvals occurred in all sectors but was particularly severe in new housing.

Spain, like other European countries, suffered from steep increases in building material prices, but their particular impact there was on builders involved in fixed price contracts as most of them are. Another significant factor is the continued low level of tourism. There has been some slight recovery in hotel building, but not sufficient to make much of a dent in the industry's high unemployment.

Spain's severe recession of 1974 was not alleviated by increasing public works investment from $1,000m in 1974 to $1,130m this year, and most firms are unsure whether the slump has even yet reached its lowest point.

The Netherlands construction industry, too, faces a future full of uncertainty. House completions have fallen from 155,000 to about 115,000 a year, and the latest programme provides for only 110,000 in the next 12 months, with the addition of improvements to some 27,000 houses.

At present there are about 40,000 unemployed in the Dutch building industry, which is about four times the normal total. Plans certainly exist for large-scale reconstruction schemes in the cities and towns, but in most cases both money and planning permissions are lacking. As usual, the danger is that when finance and permits become available for some of these massive schemes, there will be a shortage of the skilled labour to do the work.

The author is editor, Building.

Engineering: sustained expansion needed

by John Mortimer

The state of health of Europe's engineering industry by 1980 must inevitably depend not only on the rate of recovery out of the present recession facing the western world, but on the economies in such important export areas as South America, the Middle East and Third World territories as well as the extent to which Eastern European countries step up their own trade drives with these areas.

If present pointers are correct and the western world is about to recover from its present economic ills then the next few years are likely to see a gradual expansion so that engineering sectors throughout Europe could face a mini-boom by 1980. But the boom could be so short in duration that it would hardly be noticed.

It could well benefit engingineering firms therefore to plan for a period of at least 10 or 15 years of very gradual but sustained expansion. If past experience is any indication recessions are occurring with increasing frequency, while boom periods are shorter. Planning for recessionary situations may be of greater value than planning for a boom. Experience suggests that it is becoming more and more difficult to use short periods of boom to finance the long drawn-out recessions.

During the recession most Western European firms turned their attention to export markets but how well they now perform depends on how successfully they can maintain their new-found export dynamism at the same time as their domestic market recovers. This time round it will be even more difficult to hold on to both home and export markets, especially those export markets in Third World countries where Eastern European firms increasingly are seeking to penetrate new markets with attractive credit facilities.

Without doubt, the petrochemical, heavy engineering, machine tool, steel making, nuclear power and the car industries will be playing an important role in the early 1980s. And governments in every European country will be doing all they can to ensure their development.

With world trade growth predictions hovering between a pessimistic 3 per cent a year to possibly as much as 4½ per cent, it is likely that there will be some state-backed restructuring plans in Britain, France and Italy, and possibly even in Germany. Moves which could be accelerated by unprecedented unemployment figures in many European countries for the first time for years are once more sharpening the minds of governments as few other pressures could.

Difficulties of recovery will be particularly acute in the steel and petrochemical industries. Europe's steel industry has been hit harder than other industries by the economic recession. This has been made worse by the drop in demand in Japan for steel as the highly geared Japanese steel mills seek markets further afield. Both steel making and petrochemical industries involve huge financing worries which have yet to be resolved.

Both these industries have ample reserves of spare capacity and consequently there is little pressure for plants to be expanded. In the process industries this spare capacity spans edible oils, fertilizer plants and the huge petrochemical plants. Inevitably this means consolidation and retrenchment for some years to come.

Contractors involved in process plant design and construction in the next five years must see an increasing swing towards the Middle East and Third World countries for business. For British firms supplying hardware this swing has mixed blessings. London may well be the centre of the world for project design consultants but increasingly these engineers, who specify the plant and equipment needed for new plants, are turning to European suppliers.

Not only do British suppliers find it hard to meet the fixed price contracts that are laid down but they face allegations by the specifying engineers that their components are outdated alongside those from European suppliers. Hence project engineers' preference for European equipment.

Ironically Third World countries are not able to take advantage of the advanced plant and equipment available because of the high degree of skill needed to maintain and operate it. This state of affairs could provide an excellent opportunity for the present generation of discarded process plants in Europe to be transplanted and reerected to make way for the next generation of plants in Europe.

The motor industry in Europe is the barometer of industrial activity. Firms predict an uplift in both car and truck business. Even so, the industry forecasts that activity will not reach the level experienced even in 1973 for some years to come. To keep their production levels up, firms here will be seeking to expand their export markets, with Britain as well as the United States a prime target. But hanging over their plans must be the vague possibility that Japanese firms will seek to establish assembly plants in Europe to counter criticism of high imports, backed up by the distinct possibility of other plants to feed Third World markets. For such eventualities the European industry must have more than just contingency plans.

Europe's electrical industry has weathered the storms of the past year reasonably well, in spite of a downturn in domestic appliance business. In the next five years business will pick up and the heavy end is likely to play a key role in meeting the demands of the power generation industry.

Britain's decision to sell her North Sea oil into the European Community could well temper plans to move more and more to nuclear power. Nevertheless, the certainty with which nuclear power will be introduced into Europe by 1985 must herald good prospects for all associated firms, especially those in Britain with the ability to overcome the financial burdens and adopt aggressive marketing policies.

Many of Europe's engineering firms supply the motor industry and there were surprised looks in Germany when it became known that Guest Keen and Nettlefolds, Britain's biggest engineering company, has made a provisional bid to acquire one of the few remaining private European companies still available for sale—the well-known German supplier, Sachs.

This is a clear indication that there is potential available to GKN. For other firms seeking to increase their European base in the 1980s it makes sense to join forces with a European firm. Most of Britain's larger engineering firms have completed this aspect of their strategy and should be looking forward to reaping some of the rewards.

Not only are such links financially good, bearing in mind the falling value of the pound, but they are a short-term means of repatriating technology to the United Kingdom. Many European countries are showing Britain a clean pair of heels when it comes to applying high technology to products. Nowhere is this more evident than in machine tools where Eastern European countries are coming forward with machines which prove attractive even in Britain, where the machine tool industry is still seeking some clarification of the role it must play in the nation's economy as well as how to survive the cyclic depressions which face it.

Britain will remain the poor relation of Europe through no fault of its engineering industry which forms the bulk of the nation's exports. For there to be any change would require a fundamental alteration in attitudes by government, managers, work people and most of all the unions. The unions must be shown to appreciate that their self-centred conceit works against the interests of the nation. Without such constraint the rest of Europe's engineering industries are free to progress to the benefit of employee and shareholder alike.

So far Britain's impact on the EEC has been so insignificant as to be of little value. The long sought-after presence of Britain and the influence it could bring has yet to materialize. Britain's under-capitalized engineering industry may appear small match for its counterpart in other countries, nevertheless it does have a contribution to make. The people who work in Britain's industry have some of the best brains available and in research, design and production are able to present a powerful potential source of ideas to the rest of Europe.

But in the next five years the aggression which European engineering firms apply to marketing will be increasingly polished and provide a challenge British firms will find hard to match.

The author is editor, The Engineer.

Shipbuilding: action sought against price-cutting

by Peter Hill

Before a team of leading Japanese shipbuilding industrialists boarded their aircraft from Tokyo to San Francisco this month for crucial talks with their European counterparts, a formal note was handed to the Japanese Government by the EEC Commission's representative in the Japanese capital.

The timing of the delivery of the note had been deliberate, given the importance of the talks, and it marked a major phase in the development of relations between the Commission and Europe's shipbuilding industry. For years European industry has been pressing for a coherent Community policy and Commission support—without much success.

Throughout this year demands for firm action from Brussels in the face of the most serious decline in demand for tonnage since the 1930s, exacerbated by ruinous price-cutting by the Japanese to secure the few orders that are available, have been gaining in volume. Through a complex of organizations representing various countries and groups of countries, Europe's shipbuilders have sought to explain carefully, objectively and coolly the extent of the crisis which could threaten thousands of jobs in the years ahead if it remains unchecked.

After intensive talks between leaders of the Association of West European Shipbuilders in the autumn, the Commission called for detailed evidence of Japanese shipbuilders' price dumping practices. Members of the AWES, which includes all the EEC shipbuilding countries with Sweden, Norway, Spain and Finland, were able to provide that information. For months they had been making allegations that Japanese yards, desperate to fill their massive surplus capacity, had been cutting prices to unrealistically low levels, as much as 40 per cent below prices quoted by European yards.

The industry itself, through the AWES and the Council of European Builders of Large Ships, had already had two sessions with the Japanese before the December conference in San Francisco, but little had emerged from the earlier sessions. That the Europeans were able to go into the meetings supported by the EEC's strongly-worded policy statement to the Japanese, represented therefore a considerable hardening of the European posture and attitude. The main objectives of these discussions has been to secure from the Japanese a commitment to eliminate the practice of distorting prices and at the same time to agree on measures which would lead to a reduction in output.

Throughout the world there is a massive oversupply of shipbuilding capacity and it has been forecast that capacity could safely be cut back by two thirds without any problems in meeting demand.

Developing countries are pressing ahead with new yards when it is clear that there is already a massive surplus. The crisis has been compounded by the repercussions of the 1973 Arab-Israel war which has led the oil companies and the shipping industry to cancel close on 50 million tons of tanker orders that were on shipbuilders' books little more than a year ago as the world economy began its descent into recession.

There are those who have been worse hit than others. Norwegian yards and the Japanese who had concentrated on the series production of large oil tankers have been badly hit while those shipbuilding industries in Britain and Germany, which have maintained a mixed bag of ship types in their order books, have not been so adversely affected. But while most European yards have sufficient work to carry them through the next 18 months to two years, new orders are needed now and in the next few months if there is to be sufficient work available in the years up to 1980 and beyond for the yards that are at present building ships.

At the end of September this year, the Japanese industry, which builds more than half the world's new ships, had an order book totalling 37,700,000 tons gross.

The combined order book of the eight EEC countries building ships (the exception being Luxembourg) amounted to 22,200,000 tons gross but with the inclusion of orders held by European countries outside the Community (Finland, Norway, Sweden and Spain) the European order book stood at a level of slightly more than the 37 million tons gross.

There is therefore little to choose in the size of the respective order books between the two shipbuilding blocks, but the Japanese with their higher rates of output clearly pose a threat because of the need for them to secure new work to replace completed orders. But the Japanese yards, which are often part of much larger industrial groups with the ability to work closely with Japanese Government departments, have shown they do not intend to ease their grip on the world market. Some have argued — notably the British—that those who have expanded most should contract accordingly.

It is against this background that the eleventh-hour intervention by the Commission has given heart to the European shipbuilding industry; although no one should be under any illusions of the scale of the problems which lie ahead. There will be painful decisions to be taken and there will have to be a scaling down of shipbuilding capacity — and with it jobs — if the industry is to emerge stronger and more able to withstand the next drop in the market and in a strong position for the move upwards.

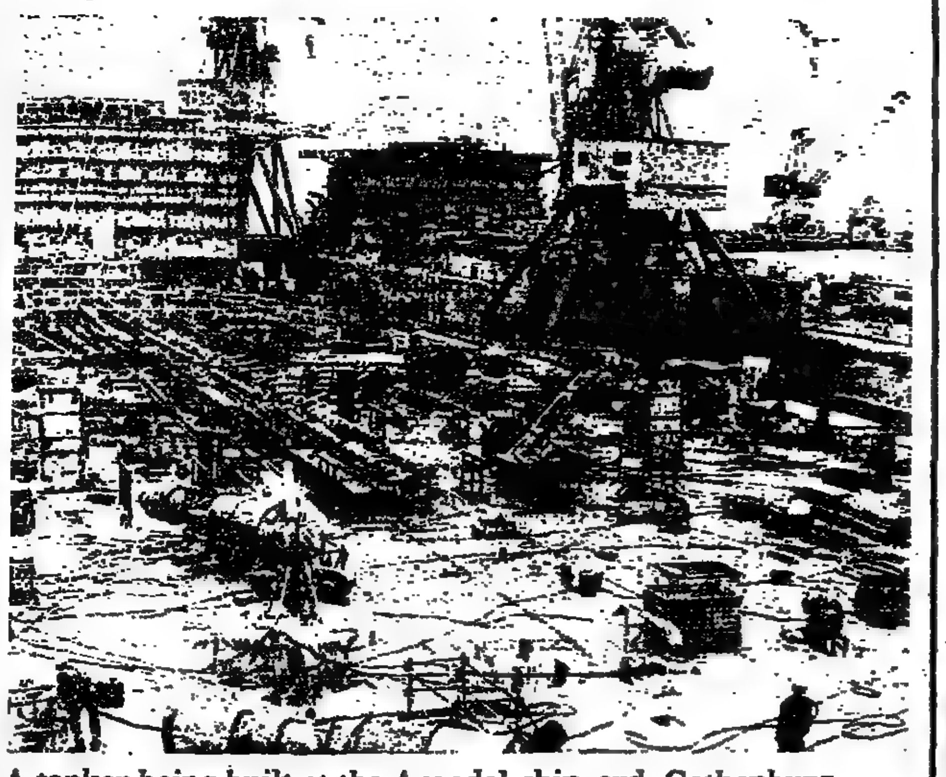
As Mr Per Anker-Nilsen, the Norwegian chairman of the AWES observed before leaving for the San Francisco talks: "Yards are approaching the necessary limits for taking contracts; they are approaching the time when contracts have to be signed for yards to stay in business at all."

Much depends on the Commission and on the attitude of member governments. In a directive issued in June, the Council of Ministers declared that a "healthy and competitive shipbuilding industry is necessary for the Community; that it contributes to its economic and social development as it represents a substantial market for a number of sectors including those of advanced technology and also contributes to maintenance of employment in a certain number of regions of the Community".

No European shipbuilding industry would disagree with such a laudable objective but the crux of the matter is really what the EEC considers to be "healthy and competitive" in terms of size, production and employment. The European shipping fleet, embracing only the EEC member states, accounts for about 23 per cent of the world merchant fleet while last year EEC yards delivered about a quarter of world shipbuilding output. The industry has the muscle therefore to argue forcefully with the Japanese, muscle which can now be flexed at the call of the Commission.

Clearly major difficulties between member states have to be resolved. The means by which a competitive industry can be created could involve the phased rundown of shipbuilding capacity in some regions of Europe and to any government this would be unpalatable politically. A reversion to protectionist policies seems unlikely given the Community's traditionally liberal approach to world trade.

But that there must be a rapprochement between the industries of Europe and then with the Japanese is patently clear. Without moves towards the development of a coherent and comprehensive policy for shipbuilding in Europe, the outlook is bleak. The shipping industries of Europe could become almost totally dependent on Japanese shipyards, which would then not be offering to cut European prices by up to 40 per cent.



A tanker being built at the Arendal shipyard, Gothenburg.

Aviation: plan for bigger market share

by Arthur Reed

Important decisions on the future course of the European aircraft industry are expected to be taken shortly with a view to making it more competitive with aerospace in the United States.

At present, although Europe represents 20 per cent of the world market for aircraft purchasing, its aircraft industries enjoy only 8 per cent of that market.

Now the European Communities Commission has drawn up an action programme for the European industry which is to be put for endorsement and action to a meeting between EEC heads of government next year.

An integrated European industry is strongly supported by the British aircraft industry which, for the past 15 years, has been engaged with France, West Germany, Italy, Holland and other countries on the Continent on a series of joint programmes ranging from Concorde to helicopters, from fighters to an airbus.

The Society of British Aerospace Companies has recently sent a policy document to its own Government urging it to declare its intention of supporting European aerospace through a policy of partnership between governments, airlines and industry. Considerable effort should be made, the document suggested, to reach an understanding between European aerospace companies that internal competition in military aircraft and missiles was self-defeating — particularly where the provision of defence equipment within Europe was concerned.

But in spite of these worthy sentiments, it may still prove difficult to persuade the various European aircraft companies, and the governments which back them, to embrace with any enthusiasm the principle of collaboration. National pride and prestige is closely wrapped up in aerospace, and there have been in the past many examples of separate countries embarking at the same time on similar aerospace ventures, so reducing the sales market for all.

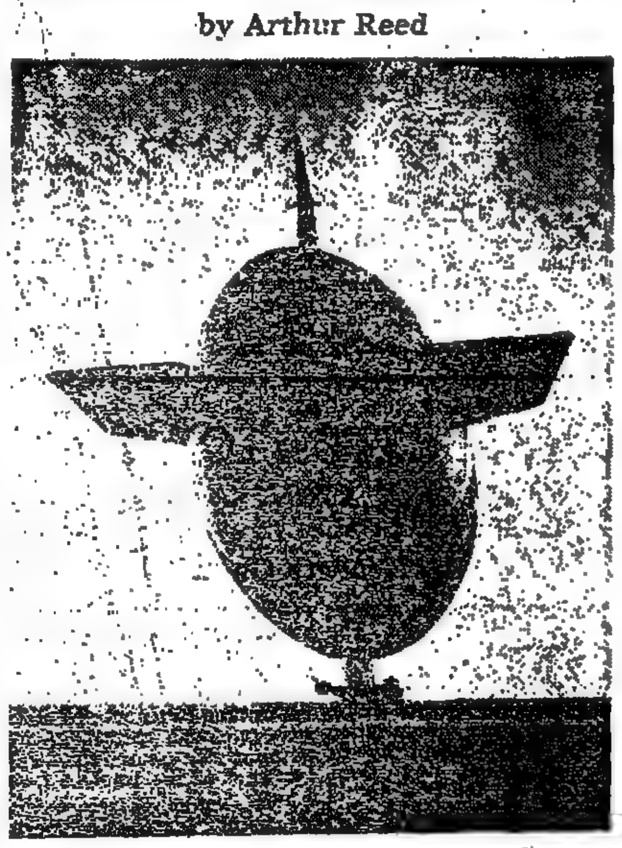
The cost of national pride in aerospace, however, is becoming more and more difficult to justify in plain money terms, and a consolation for those who are trying to construct an integrated industry in Europe is that the nations may be forced into collaborating with each other for economic reasons.

Europe as a whole already has an impressive and extensive family of aircraft, both civil and military, on which an integrated future could be constructed. On the civil side, the family consists of: executive jets, HS 125 (British) and the Falcon series (French); propeller-turbine feeder aircraft, F 27 (Dutch), HS 748 (British), and SD3-30 (British); small short-range twin jets, VFW 614 (Dutch, West German), F 28 (Dutch); medium twin and tri-jets, BAC 1-11 (British), Mercure (French), Trident (British); large jets, A 300 airbus (French, West German, British, Dutch and Spanish); supersonic long-range aircraft, Concorde (British, French).

Military aircraft: jet trainers, Alpha Jet (French, West German) and Hawk (British); tactical strike aircraft, Jaguar (British, French) and Harrier (British); strike and air defence fighter, multi-role combat aircraft (British, West German and Italian); anti-submarine and maritime reconnaissance aircraft, Nimrod (British) and Atlantique (French); helicopters, Lynx, Puma and Gazelle (British, French), Bo 105 (West German).

In addition, the European industries offer a wide range of anti-tank, anti-aircraft, air-to-surface and air-to-air missiles.

With the cost of new aerospace programmes becoming almost unbearable, even if shared between several nations, and also difficult to justify against the background of an increasingly vociferous international environmental lobby, the European Communities Commission is wisely basing its action plan on the foundations provided by this family.



Latest development in Zeppelins has no internal structure.

It believes that there is a future market for the following types: development of the F 28 airliner to satisfy demand for an airliner in the 110seat-and-less category; a twin-jet based on derivatives of either the BAC 1-11, Trident or Mercure (120-180 seats category) and development of the A300 and B 10 version of the European airbus, with Rolls-Royce RB211 engines (180-220 seats).

It also sees merit in support for the A 300 B 2 and B 4 versions (250-300 seats) and a study of the possibilities of developing a four-engined version of the A 300—the B 11 version—to satisfy European demand for a long-haul airliner.

The EEC wants to see the establishment of a common policy for civil air transport, in addition to a similar policy for the development, production and marketing of large civil aircraft. The ways in which the Community could finance such a programme should be explored, and a common external policy on industrial collaboration with non-Community countries established.

In the military sector, the European aerospace nations were severely jolted recently when the Nato nations preferred to buy the American F16 fighter rather than an aircraft produced in Europe. The EEC is now seeking the establishment of an ad hoc agency concerned with the procurement and development of all airborne weaponry with the tasks of coordinating procurement and standardizing, whenever possible, on existing European projects.

The agency would also identify joint areas for future development, such as an advanced combat aircraft to be designed, developed and manufactured within the Community.

The in-fighting which has gone on between the European nations over military aircraft production and procurement is a subject which has also deeply worried the Society of British Aerospace Companies. It has pointed out the clash between the French Avion Combat Futur and the Anglo-German-Italian MRCA, while equipment manufacturers were suffering under the MRCA programme by the developing of new capacity when excessive capacity already existed.

A joint staff operational requirements organization should be proposed to the British Government to harmonize future European Nato requirements, the SBAC has suggested. France should be included because, although not a member of the military side of Nato, it is a powerful industrial factor within Europe.

The author is Air Correspondent, The Times.

East-West collaboration

continued from page IV

under way or completed, involving the industrial sectors of developing, socialist and western countries. Since the middle of last year 18 bilateral inter-governmental agreements on industrial, scientific and technical co-operation have been signed between Eastern European and western countries.

Both sides have also created new specialized institutions to meet the changing requirements of their economic relations with each other. Measures to facilitate important regional and sub-regional projects are likely to be examined as well as methods to stimulate the more rapid growth of direct cooperation between eastern and western enterprises.

Discussions continue on expanding and improving the flow of economic information to provide a sound basis for governmental and private enterprise decisions, including standardizing trade statistics and providing systematic information on commercial and industrial co-operation experience and opportunities.

Moreover, consultations regarding possible forms of participation in the fulfilment of the economic plans of the socialist countries of Eastern Europe could be helpful in furthering East-West trade.

Companies at last given prospect of an easy leap across EEC frontiers

by Marcel Berlins

The elimination of national barriers in inter-Community commercial and industrial relationships has always been seen as one of the essential elements in the move towards economic union, as envisaged in the treaty setting up the EEC.

The difficulties caused by differences in the structure of companies and the content of company legislation in the member states have long been obstacles to the abolition of economic frontiers.

The problem is being *tackled in two main* ways by the organs of the Community. First, there is a programme of company law harmonization, an attempt *to bring the principles and* procedures governing companies in the Nine as close as possible to each other. Progress, on the whole, has *been slow, partly because the* philosophies behind the systems in use vary greatly. Recently, however, the EEC *Commission* has *produced* draft proposals for the harmonization of company taxation.

The other, complementary, programme is aimed at producing a European company statute. The project has been under discussion for as *long as the Community* has been in existence, but it was not until 1970 that an initial proposed draft was published. In May, after five years of *discussion* by various Community organs and taking into account the views of the six, then nine, member states, the Commission published its final draft proposals for the European company.

The hope, almost certainly over-optimistic, is that it will be approved by the Council of Ministers and come into being before the end of 1976.

The main advantages of *the European company* are two-fold. It would facilitate trans-frontier industrial, commercial and economic cooperation between undertakings in the member states of the Community. It would also enable Community business interests to act as a single, and hence more powerful, unit in its dealings with governments or undertakings outside the EEC. *The* European company would, it is hoped, act as a spur to the reconstruction of industry in order to be able to meet the growing demands of a European and foreign market.

It is not designed to supplant or replace national company systems, but *to be* a possible alternative framework for companies engaged in cross-frontier activities. It will be an additional and *separate* regime for *those* who want it, involving a self-contained European company law, having an independent legal existence, providing a European dimension to European transactions and arrangements.

There will be no compulsion to use it. Companies active in more than one member state will be able to continue arranging their affairs by, for instance, *forming subsidiaries in other* states, subject to national laws.

The European company is envisaged as being used by companies at present incorporated in the separate member states for three basic purposes: cross-frontier mergers, the formation of holding companies under the *proposed* European law, and the formation of joint subsidiaries under it.

In practice, the beneficiaries of the new statute would come mainly from among the multi-nationals, and from large companies in different countries wanting to merge. The *statute*, however, will now also be accessible to the *medium-size* undertaking, after a substantial relaxation of the minimum capital requirement limits since the first draft of the statute in 1970.

To be eligible to be a European company, a merger or holding company would have to have issued capital of 250,000 units of account (about £100,000), while a subsidiary would need a minimum of 100,000 ua.

The European company will be organized with a two-tier board structure—a board of management, dealing with the routine administration, under the ultimate control of a supervisory board. By far the most striking provisions of the draft statute are those dealing with the participation and influence of the European company's *employees in its affairs*. This is seen particularly in the composition and powers of the supervisory board.

The number of members *of the board will have to be* divisible by three. A third would be employees' representatives, a third shareholders' representatives, and the other third made up of members coopted by both groups, but representing "general interests".

The last group is intended to be independent of the employees and shareholders, and the voting procedures for the election of its members designed to ensure that they do not owe allegiance to either. The main reason for the existence of the group is to avoid the possibility of deadlock on the supervisory board, which has been experienced in companies where there is equal representation of employees and shareholders.

The supervisory board will be responsible for appointing and dismissing the board of management. There are provisions making it obligatory for the management board to obtain specific authorization from the supervisory board before being able to carry out important decisions such as making major changes in the company's organization, establishing or ending long-term cooperation with other undertakings, substantially changing the nature of the *company's activities*, or closing or transferring parts of the company's establishment.

The influence of the workers is not confined to their membership of the supervisory board, which they are not obliged to take up. The European company *statute also provides* that a European works council will have to be formed in every company having establishments in different member states. The works council will be entitled to be informed, or in some cases consulted, about certain decisions which the management board take.

Where the decision seriously affects the employees directly, particularly on social issues and industrial relations, the works council will have to approve it. It will also have to approve any "social plan", which European companies will be obliged to draw up when a decision will have social consequences, for example where part of a company faces closure.

Mindful of possible trade union opposition to the influence of the works councils, the draft statute makes the demarcation line *between* them clear. The councils will not be allowed to play any part in the union's traditional *role of negotiating* collective agreements on pay and conditions on behalf of their members, or usurp any other of its normal functions.

Moreover, trade unionists, and all other employees of the European company, would be entitled to stand for election to *the works* councils, and the unions themselves could support particular candidates. The way would be open for the unions to achieve more, rather than less, influence over the company's affairs.

Enthusiasm for the European company is by no *means total*, either among industrialists or employees' bodies. There are many who feel that a European company would not be able to achieve any more than the existing, admittedly more cumbersome, arrangements can do. There *will be* no tax advantages in the European company for instance. Tax would still have to be paid according to the laws of the country or countries in which the company is based. There is also fear of the provisions on worker power, *which go* farther than most countries' systems allow at present.

The European company's main effect may prove to be psychological, a boost to the concept of the unity of the Community, rather than practical.

The author is Legal Correspondent, The Times.

Food: a pinch of spice helps the profits

by David Young

The difficulties that Britain's manufacturers in the food *industry have recently* been facing—raw material shortages and soaring costs, coupled with demands for substantial wage awards—*have also been encountered* by their competitors in Europe.

In France, for instance, price restraints during the last financial year have been even more severe than in the United Kingdom. These restraints were, however, coupled with a firm government resolution to restrain wages, control labour relations and an acceptance that unemployment could be countered only by improvements in output.

The result was that inflation in the French food-processing industry was con*trolled fairly quickly*. And although profits suffered, confidence among the manufacturers in what the Government was attempting, plus the certain knowledge that price controls would be eased as soon as possible, meant that the industry has retained much of the confidence that has led it in recent years to develop new products.

The Cavenham group is *probably the best-known* food manufacturer in France, with its Générale Alimentaire division taking a £64m share of the market in 1974-75. Cavenham's three divisions have an impressive growth record.

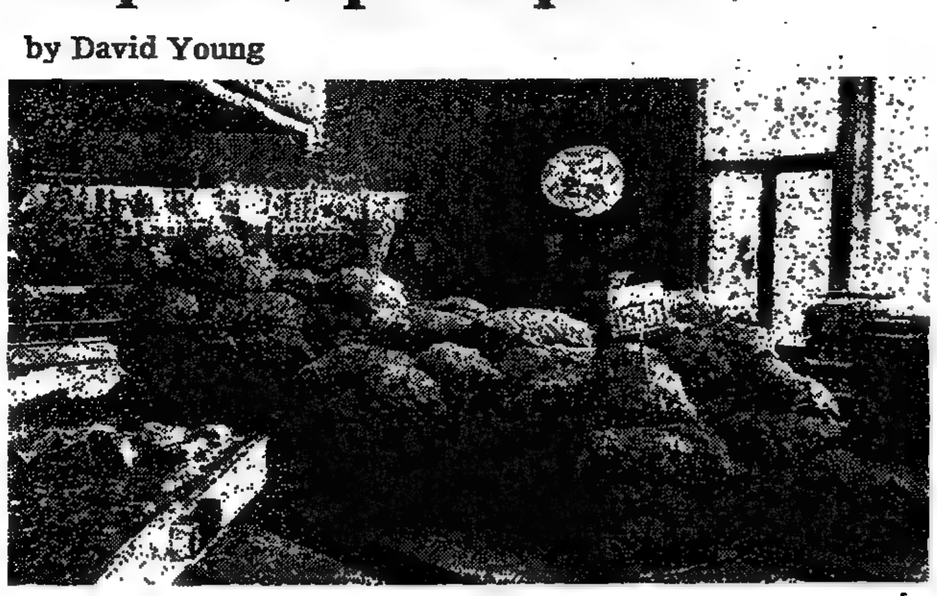
One of the divisions is confectionery with sales last *year of £25m. Its factories* produce long-life cakes, spiced cakes, and dessert products as well as a range of confectionery. As in *Britain the dessert market is* growing considerably and this division has had a marked success, thanks mainly to a considerable marketing effort.

With a steady introduction of new products the confectionery division shows every sign of maintaining a steady growth rate in the coming year and overcoming the problems created by sugar shortages and price increases.

The housewife in France has her culinary reputation to maintain and this is reflected in the massive sales of *pre-prepared* sauces, mustards, vinegar and spices and peppers. Générale Alimentaire's largest sector, its condiments division, with sales of more than £30m annually, dominates this market, taking up to 55 per cent of trade in several areas.

The gourmet nature of French cooking provides the manufacturers in this sector with a large stable market, but nevertheless it is one area where food manufacturing techniques are being used to their utmost in the quest for increased market penetration and sales.

Here vigorous marketing has helped Cavenham to launch successfully a range of mature vinegars with a 7 per cent alcohol content and curry and spice flavoured tomato ketchups. As for the future of this market sector, close manufacturing controls are now enabling the manufacturers to look forward to a period of profitable growth.



Bargain bags of potatoes on offer at a supermarket in Valence. France has imposed severe price restraints this year.

Perhaps the greatest growth area in food manufacturing is in luxury products. This has been demonstrated in Britain, where Birds Eye have had a runaway success with its range of cheesecakes, although there are many in the industry who share the view that it will be basic items, such as baking products, which will show real growth in the next year.

In France this trend to luxury food products is beginning to take off, but this sector is still dominated by sales of traditional luxuries such as pâté de foie gras and smoked salmon.

By comparison with France and Britain the German food manufacturers are going about their business calmly, and this is reflected by the increase of German produce now becoming available in other European markets. In Germany the processing of fresh produce, as opposed to food manufacturing, is still the largest part of the market and indications are that this will continue to expand as will the luxury end of the market.

Spain is regarded by the food manufacturing industry as the place in Europe with most potential for development and expansion. The industry in Spain, while hardly in its infancy, has not been developing new products at the same pace as its European competitors, but there is an acknowledged wealth of management talent available there and Spanish banks have made known their willingness to become partners in food processing businesses.

Fruit-based products, such as fruit juice concentrates, *tomato pastes* and *tomato* products, form a large part of the Spanish industry's output, and forecasts indicate that Spain will be well placed to take advantage of the recent shortages in other countries of such products as tomato and fig pastes.

The Benelux countries also have a thriving food processing industry, geared to meet strong home demand as well as exporting a wide range of dairy-based products, including Dutch cheese—among the EEC's best sellers in the food market—and other luxury foodstuffs. Belgium has been affected by stringent price controls, but on the whole manufacturers are optimistic that sales will continue the *steady* upward movement of the past 12 months.

In Holland intensive marketing and heavy promotional budgets have had to be used in recent months to enable companies to retain market shares in a period of very stiff competition. This has had a depressing effect *on profits, but there* are now signs that sales are settling and once again showing steady increases.

Denmark relies heavily on *its food processing industry* for export earnings and in spite of the recent large increases in animal foodstuffs *its industry* has retained its *market share and is continu*ing to find new markets for its products.

The countries in Europe where sales have diverged *from the broader European* pattern are Sweden and Austria. Sweden has benefited from its ability to withstand inflationary pressures better *than most other countries*, and its food manufacturers have continued steadily to develop new products. Potato based products have been *launched by Swedish firms* and alongside their traditional product ranges, frozen and canned convenience foods and pickled products, *these new* products are taking an encouraging share of the market.

Austria's food manufacturers, on the other hand, have been badly affected by the recession its neighbours and main customers have suffered. The Austrian food industry has been traditionally strong at the luxury end of the market and the reduction in the annual tourist trade has harmed this side of the *industry; having to rely on* a small home market for expensively developed products has created problems for the industry. The problems, the industry says, are not insurmountable, but there is little sign of a large increase in output in the coming year.

Petrochemicals: days of high growth rates pass into memory

by Peter Hill

Towards the end of last month three of Europe's largest chemical groups, ICI, Bayer and BASF, produced their results for the third quarter of the year. They were disappointing and were a further reflection on the recession which has hit in*dustry throughout Europe* and which has been felt particularly in the chemicals sector.

ICI reported a 44 per cent fall in profits in the third quarter of the year compared with the corresponding period of 1974, although the company was cautiously optimistic that the bottom may have been reached at last. The two West German companies followed a similar pattern. This year Bayer is forecasting a 10 per cent fall in the group's worldwide sales while BASF has forecast that its sales levels this year will be 15 per cent lower than in 1974.

Senior executives of Bayer said that the company would have to adapt itself to a changing prospect for chemical industry growth and where annual growth rates had been at least 7 per cent, for the future the company might have to be satisfied with between only 2 and 3 per cent.

Big difficulties for industry

This poses big difficulties for the chemical industry, which traditionally has grown at roughly twice the rate of the rest of manufacturing industry output. Between 1963 and 1972, for example, the output of the Dutch and West German chemical industries grew at an average rate of 13.5 per cent and 10.5 per cent, compared with average annual growth of manufacturing industry in those countries of 7 and 5.5 per cent respectively.

In Europe the petrochemical industry is an enormously important industry. It is an industry whose many *products* provide the wherewithal for the existence of other *industries*, and the employment of millions. In Western Europe, chemicals account for about *14 per cent* of all industrial activity and that is equivalent to the whole of the textiles and car and lorry industry together.

It is therefore of key importance to the European economy as a whole, and to the economies of individual countries. But its growth is *largely dependent* on the overall health of the economy, and in Europe the industry's health has been such that it has been doubl*ing itself* every eight years.

In the immediate aftermath of the oil embargoes in the autumn of 1973 the industry was faced with some difficulties not least the increased price of crude oil, but demand was sustained and lasted through until the final quarter of last year. Since then, however, demand has eased off considerably while costs have risen steadily and the major *chemical groups* have been unable to raise prices sufficiently to meet the increased costs. But rather than cutting prices in an attempt to *stimulate* offtake levels, companies have instead either reduced the plant production levels or have closed capacity completely.

Since the middle of 1974 the output of the European chemical industry has fallen by about 18 per cent and with profits this year down considerably, the chemical industry is hoping for signs of improvement. But leading figures in the industry believe that the industry's ability to match the high growth rates of the fifties and sixties will not be repeated in the second half of this decade.

Factors behind the industry's dismal *fortunes* this *year include large fluctua*tions in stock levels held by its customers; depression in *major* customer industries such as the construction and motor manufacturing *indus*tries; and rising costs. The combination of these and other factors has led to severe depression in the petrochemicals, fibres and plastics sectors of the industry.

Constraint on investment

The conditions which have been experienced this year are already acting as a constraint on the industry's ability to invest at its traditionally high level to cope with the revival in demand and maintained upward trend in the next few years. Measured in 1974 prices, it has been estimated that the European chemical industry would have to raise between $40,000m to $50,000m to support new investment and working capital requirements over the next 10 years.

It has been *estimated* that gross naphtha feedstock requirements for the production of olefins, aromatics and miscellaneous petrochemicals in the EEC area may increase from 58,500,000 tons two years ago to 92,800,000 tons in 1978. Naphtha is the basic raw material from which the basic petrochemicals required for further processing by a whole range of other *industries are pro*duced.

But these forecasts, made earlier this year, may have to be modified slightly in line with the adverse trading conditions which have been experienced by the chemical companies this year. If the signs of the recovery in levels of general economic activity within Europe are realized next year, then chemical industry growth should be at least 5 per cent and may rise as high as 7 per cent.

But in the medium term—and this in effect means to the end of this decade—chemical industry growth will not match the high rates of the past. Slower growth is expected in several Com*munity countries which* will have a depressing effect on chemical industry production. Also some sectors of the industry which have expanded at a high rate in the past may find conditions more difficult. But while a slowing in chemical industry growth is confidently forecast, its output *will still* increase at a faster rate than that of most other European industries and therefore further expansion is justified.

Mr John Townsend, president of the European Confederation of Chemical Industry Associations, observed recently that the industry had to look to 1978 and beyond when thinking about new capacity. New plants were being planned and sanctioned against the background of rather delayed growth and of considerable administrative and financial difficulties.

"We shall continue to see the European chemical industry growing more rapidly than European industry generally but I would expect, on average, the difference in their rates of expansion to be a little less than it was."

Computers: search for a challenger to United States giant

by Kenneth Owen

"The European data-processing industry must not permit victory to go to the IBM giant simply by default", a recent European Commission report began. "The main objective of Community policy must be to promote and encourage the formation of at least one major European-based group which is both economically viable and capable of maintaining a balanced relationship with partners in the United States or Japan."

The continuing European *endeavour to establish a* viable indigenous computer industry suffered a major blow earlier this year, with the *collapse* of the French-Dutch-German Unidata association.

Philips of The Netherlands, Siemens of West Germany and Compagnie Internationale pour l'Informatique (CII) of France had come together to market a joint range of computer equipment. Each of the three was maintaining its own manufacturing operations, but the intention was to work towards a more fully integrated business.

Managed on troika principle

Managed on the troika principle rather than under strong central direction, Unidata found the market difficult. Europe and the world computer market generally is dominated by the large United States corporations and, in particular, by International Business Machines. Unlike Britain's *International* Computers Ltd (ICL), Unidata had chosen to market computer equipment which was directly compatible with that of IBM.

The other European-based companies include national subsidiaries of American companies such as IBM and Honeywell. The IBM companies in France, Germany, *Italy* and the United Kingdom together make up the sort of European computer organization of the kind—except for its *ownership—that the Com*mission in Brussels would like to see. IBM has achieved what Unidata had attempted: shared manufac*turing coupled with national* marketing.

In May, after a history of substantial lossmaking by CII in France, details were *announced* of *a significant* proposal involving the French national computer company. A merger had been *arranged* between CII and Honeywell Bull, which is owned 66 per cent by Honeywell Information Systems of the United States and 34 per cent by Compagnie Machines Bull.

French interests were to hold a 53 per cent stake in the merged company, to be known as CII-Honeywell Bull, with Honeywell holding the remaining 47 per cent. Financial support for the first four years' operations would be forthcoming from the French Government, and CII's minicomputer, space and defence business (and its Toulouse plant) would be excluded from the deal.

Much controversy surrounded this plan for a French-American hybrid, but agreements were initialled in *Paris last month*.

With CII out of the Unidata alliance, it was not long before Philips decided to cut losses and withdraw also. *This has left Siemens as the* object of much attention from computer companies in the United States and Japan which see mutual advantage in a collaborative agreement.

According to estimates published by the Commission, the European Community data-processing market will rise from about £3,300m in 1974 to about £6,100m in 1979. Elements of this market represented by software, peripherals, minicomputers and microcomputers will each increase as a percentage of the total, but mainframe computers and systems will continue to account for more than 50 per cent of the total.

"It would therefore be premature for the European data-processing industry to concede defeat", the Commission comments. The challenge of IBM remains daunting and is now assuming a new form as this corporation moves *rapidly towards pro*viding customers with total information systems.

Community policy must reflect the fact that the data-processing industry is moving towards the era of distributed computing, the Commission argues.

Development of technology

This change is characterized by the explosive development of component technology; *more rapid* growth in the market for minicomputers, terminals, peripherals and communications equipment; and an increas*ingly close link between tele*communications and computing.

"It is therefore not acceptable to users, nor is *it in the public interest*", the Commission concludes, "that a single company should dominate and control not only the traditional world of central processors but also the new world of distributed computing. At least some part of this key industry must be *under* European control."

Apart from these moves aimed at strengthening the European industry, changes in the structure of the computer industry generally are emerging as a result of changing technology. In particular, the power that can now be packed into tiny microcircuits has grown to such an extent that the traditional divisions between component manufacturers and systems and computer manufacturers are rapidly breaking down.

At different ends of the spectrum, large computer mainframe companies and software houses are now busy acquiring microcircuit expert knowledge, particularly in the all-important new world of what is called large-scale integration or LSI.

In bidding for specific European contracts *if not in* more permanent arrangements, computer companies *in different countries are* already collaborating. In major computer projects as in other projects, bodies such as the European Space Agency *insist on* international bids.

Alliances on the software side across national boundaries in Europe have continued *to proliferate. But* the longstanding CAP-Europe arrangement between Computer Analysts & Programmers, London, and Centre d'Analyse et de Programmation, Paris, has collapsed after a change in the French ownership.

Britain's main computer company, ICL *(in which the* Government has a 10 per cent stake), is now mounting a major marketing attack on continental Europe. Its latest small computer, the Model 2903, has sold particularly well there.

But, on the question of mergers or associations with continental companies — or, indeed, with American companies — ICL's policy is that any deal must make both *technical and commer*cial sense. And, apart from a joint peripherals company (with two United States companies), no such proposal has made sense yet.

The author is Technology Correspondent, The Times.

TIMES PAST THE TIMES

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O STRATEGY, AND THE TACTICS OF REPEATED SURRENDER

the Government are now in litical and practical difficulty er the Chrysler affair, they ve only themselves to blame. ie actual detail of the package measures announced yesterday by Mr Varley has elements at could in isolation be fended. In many respects, it is more to recommend it than e compromise, half-way rescue peration that was previously nder negotiation.

The main merit of the package ould be that it would, though t very considerable cost, ensure hat the parent Chrysler Corporaion of America retained a erious future interest in making success of its operations in the nited Kingdom. In addition, the ct that a promising new model, ie Simca Alpine, would be introuced into this country for ventual manufacture is a bonus.

Further, the arrangement ould involve the trades unions greeing to the reduction of the hrysler UK workforce by a hird, or 8,000 workers. This olds out at least the prospect f Chrysler becoming the first ass car producer in this country o operate almost on rational manning levels. It remains, however, an open question whether n practice this will prove to be ossible.

The arrangements also meet he need to provide continuing hrysler facilities *in this country*, apable of completing the mportant export order to Iran. inally, they have the advantage hat they relieve the Government f the pressure they were under o add cars to the list of import estrictions that are to be nnounced today.

The positive aspects of this ackage, however, *have already* been gravely compromised by the way in which the Government has handled the negotiations with the Chrysler Corporation. It is inevitable, if after months of negotiation on one basis the Government suddenly proposes a wholly different solution, that the public reaction should be one of doubt about the Government's cohesion and competence. The impression that, faced by a tough American negotiator, the Government was lacking in resolution, or sureness of policy, is damaging to the already weakened reputation of the Government.

The objection to what has been proposed, however, ought to be at a different level. It is that, both in what it has done to British Leyland and in what it is proposing to do to Chrysler, the Government is demonstrating that it has not yet faced the need to develop a coherent industrial policy and then stick to it. It is not surprising that they delayed until the last possible moment the publication of the "Think Tank's" review of the future of the British motor car industry. For, chapter by chapter and line by line, that report is a standing contradiction of the *ad hoc* policy that the Government has now decided to follow.

It is, of course, possible to question the findings of any forecast of that sort. The margins of error in forecasting demand for cars years ahead are substantial. The argument, however, that over the next ten years the growth in the demand for cars in Europe will be substantially less than in the past ten years seems to be beyond question. So, therefore, is the conclusion that, both in the United Kingdom and in the rest of Europe, there will be a substantial overcapacity in the mass car industry. It follows that there will be intense competition and low profit margins and that only the most efficient will survive.

Against such a background, a Government following a coherent industrial strategy could not commit huge sums of public money to the purpose of keeping extra and unwanted manufacturing capacity in being. There are cases where, in growing or contracting industries, a case can be made for transitional Government finance in order to avoid short-term damage, or social dislocation. The rescue of an *American company, with a poor* industrial and financial record, both in the United States and elsewhere, cannot fall into this category. The effect of what the Government has proposed is to say that any company will be saved, no matter what the objective merits of the case, provided that it employs large numbers of workers, particularly if they are in politically sensitive areas.

The moment must come when the folly of this open-ended protection of existing jobs will have to cease. It will never be easy for the Government to make the decision, because there will always be pressing reasons why any particular case should be an exception. It is, however, difficult to think of an example in which the case for not advancing Government money was stronger than with Chrysler. It seems that the Government were never, in fact, ready to allow Mr Riccardo to carry out his threat to cease all activity in the United Kingdom. They should have been; for the next time and in the next situation it will be harder.

MRS CASTLE CONCEDES SOMETHING

he decision of the junior hospil doctors' representatives to ontinue their sanctions until the bsidiary details of their pact ith Mrs Castle are settled illusates how deeply the profession w suspects her slightest move. he issues still at stake do not gin to justify further danger the life and health of patients. morrow it will be the turn of e consultants to show whether eir responses are equally udging.

It cannot be pretended that Mrs astle's latest proposals on pay eds in National Health Service ospitals meet many of the medial profession's objections to her bolitionist purpose. Her ultiate aim, as she has made quite lear, remains exactly what it has lways been. The independent ontrolling board and the further onsultations are only intended o soften the blow. For those octors who believe fundamenally that the survival of pay beds essential to the maintenance f professional standards, there no more to be said. For those thers who appreciate the amage that professional standards have already suffered in ecent weeks, and understand at the significance of pay beds symbolic as much as substanal, it will be more difficult to ecide how to respond.

From the limited point of view f easing the transition, the proposals have much to recommend them. They would protect private patients and their doctors in areas where no private facilities exist outside NHS hospitals, and *they would take the problem* "out of politics" as far as can be looked for in the circumstances. They gain time and, for a Government without a majority, time is no small concession.

It is true that the proposals are not perfect; doctors will have only two voices out of five on the overseeing board, and *it is easy to foresee conflict* over parts of the country where it will be difficult for private enterprise ever to replace NHS pay beds. The fear remains that national or local government will seek to frustrate the substitution in some other places, too. But a board that genuinely made its assessments on the basis that Mrs Castle outlined would be of real service (particularly with reference to the private use of specialized equipment in NHS hospitals).

That should be some comfort to the relatively small number of doctors whose livelihood depends on pay beds to an important extent. But for most of those who have opposed the Government's plans (including many full-time servants of the state) the issue concerns not their own pockets but the trust between the profession and the minister. For them abolition is important because it is evidence of blinkered dogmatism, a step towards blinkered dogmatic monopoly, and as such a threat to good medicine. Given that powerful voices within the *Labour Party* are opposed to private practice inside the NHS or out of it, and that the private sector is vulnerable to covert economic and administrative pressures, it is easy to understand these fears and the reasoning which leads to a stand being taken on the issue of NHS pay beds, which in itself is a portent rather than a catastrophe.

It is Mrs Castle's bad luck, as well as her tendency to say the wrong thing, that has led the profession to mistrust her so deeply. The affair has been so much infected with personalities that it is tempting to identify the policy of abolition with her rather than with the party which has adhered to it for years and is now in office. The policy is misconceived, especially at this moment, and it is right to go on pointing that out at every opportunity. The Government's professions of tolerance towards private practice in general are something to treat with reserve, but they are not wholly negligible. There may be cause for other battles in future, but at this point the profession must ask itself whether better terms now are likely to be obtained by any further sanctions that it could contemplate inflicting upon its patients.

ictoria Street

om Mr Ralph Irwin-Brown

r, May I please remark on your cent feature about Victoria reet (December 9), where I have orked for some 25 years?

The complete destruction of what ed to b a balanced community a planning crime that cannot glossed over with pretty pictures BP's recent expensive and arble-clad contribution to *Oil reet.*

On your plan of the vicinity I n identify seventeen trees and e names of the architects responle for the polyglot clifflike strucres that abound here. But I see pillory. On the other hand at e other end of the street the chitects are not named. The valule site of the old Sanctuary urch opposite the Abbey is rked P. It has been vacant for ny years and *its use is restricted* private parking of motor cars d to pissoirs of inelegant design. ll it planning?

urs truly,
IRWIN-BROWN,
from 47 Victoria Street, SW1.

inancing pensions

om Professor P. G. Moore

, Your letter from Mr Nottage ecember 8) oversimplifies the stinction between funded and unuded pension schemes. The ures quoted for civil pensions ggests that the Civil Service curnily is not in a "steady state" uation and hence even if the size the active service remains cont, the cost of pensions (expres as a proportion of active salas) will rise *steadily* over time. en so civil service pensions can unfunded because of the state cking; but this is not true of a vate firm.

For the latter all is well on unded lines when the relative comsition of the active and pensioner pulations remain constant; but firm will pay a lower than erage proportion of payroll when e active *population* is expanding, th a higher than average amount en it is declining. Funded schemes enable a more even flow of proportionate payroll cost, the *actual money paid over being lower* in total than for an unfunded scheme because of the accruing interest on the fund, which in turn provides a great deal of capital for risk investment.

Incidentally, in France, where unfunded schemes are more common, a number of declining companies are in dire *straits* over the ever rising relative costs of maintaining their pension payments. Would workers in the United Kingdom willingly accept such a situation which could leave them uncovered in the event of a company failure unless there was some statutory backing for their pensions?

Inflation causes problems for both types of scheme if pensions are to be kept at constant real value. If money cannot be invested to achieve a real rate of return, funded *schemes* based on final salary lose one aspect of their attraction. This is just one reason why it is so important for inflation to be contained.

Yours faithfully,
P. G. MOORE, Deputy Principal,
London Graduate School of Business Studies,
Sussex Place
Regent's Park, NW1.
December 10.

Overcrowding in prisons

From Mr Matthew Bennett

Sir, In Monday's (December 8) edition of *The Times* Sir Selwyn Selwyn-Clarke, in his article on reducing overcrowding in prisons, asked why there was no action to set up more hostels as an alternative to prison.

As one involved in a charity which, among its other activities, tries to do just that, I have found that the major obstacle is the need to get planning permission. No matter whether the proposed object is for ex-offenders; those addicted to drugs or alcohol; the mentally ill; the single homeless or even for battered wives, there is an immediate uproar, often fanned by the media, a local residents group formed to protest against the intended "assault" on their area. Fears are easily fed by rumours *and half truths and the incensed* opposition is usually enough to kill the planning application stone dead.

I totally agree that a great reduction in the prison population is desirable and that hostels, or perhaps a better name, community homes, can play a real increase in such community residential facilities if prison reformers, voluntary bodies, those in government, national and local, and those professionally *involved*, all get together to work out practical ways for getting such schemes off the ground. The way has been paved with good intentions for years. They should also take confidence from the fact that where such hostels have been set up, in the vast majority of cases local opposition has soon died down and, indeed, the local community often provides many willing supporters to help with the work.

Yours faithfully,
MATTHEW BENNETT, Chairman,
Brighton Housing Trust,
Queen's House,
King's Road,
Brighton.
December 9.

Ordnance survey maps

From Mr Norman A. Rae

Sir, Professor Parry Lewis (letters, December 10) should get his facts right. Her Majesty's Stationery Office are not the publishers of ordnance survey maps. The price increase of the latter prior to December 1 was on February 8, 1975, not in April. I happen to know that ordnance survey price changes take place after consultation with the Prices Commission. If he cares to ask, ordnance survey will send him a leaflet which explains the reasons for the latest increases very clearly.

HMSO prices do remain stationary over long periods, and only change in the event of new editions or reprints after a considerable interval.

Yours faithfully,
NORMAN A. RAE,
29 St Margaret's Street,
Canterbury.
December 10.

LETTERS TO THE EDITOR

Enemies within the railways

From the Chairman, British Railways Board

Sir, In your leader comment in today's issue (December 16) you say: "No doubt the union campaign will capitalize on this public support; but it is to be hoped that neither the public nor the minister to whom it is directed, Dr John Gilbert, will be misled. For what the campaign really seeks to do is reinforce what Pryke and Dodgson described as 'the present deplorable situation in which it (the railways board) devotes its best efforts to extracting money from the Government, and is prepared, if necessary, to mislead the Civil Service'." While I personally think the Pryke/Dodgson book is a rather silly book and certainly too superficial to be taken seriously, I really do not think *The Times* should repeat such a statement without substantiation.

There are, including myself, 12 members of the British Railways Board. Only two of them are professional railwaymen and six of them are part-time members who hold responsible positions of some eminence in the worlds of industry, commerce, science and the public service.

If you really believe these people devote their "best efforts to extracting money from the Government, and are prepared if necessary to mislead the Civil Service" then you should either provide the evidence or apologize.

Yours faithfully,
RICHARD MARSH,
British Railways Board,
222 Marylebone Road, NW1.

The MacDonald Papers

From the Keeper of Public Records

Sir, Mr Humphry Berkeley in his letter (December 15) raises the issue of public access to the Ramsay MacDonald Papers being worked on by Mr David Marquand, who is writing an authoritative biography of the first Labour Prime Minister. The facts are as follows.

In 1968 the Public Record Office was asked by Mr Malcolm MacDonald (on behalf of the family) whether it could assist this important project by sorting and cataloguing his father's papers. An undertaking was given that after the biographer had finished with them, they would be given to the Public Record Office where they would be available for public inspection.

I understand that Mr Marquand will have finished with the papers up to 1924 in January, 1976, and the remainder by Easter, 1976. They will accordingly be available from these dates in the searchrooms of the Public Record Office.

Yours faithfully,
JEFFERY EDE, Keeper of Public Records,
Chancery Lane, WC2.

Report on wealth tax

From Mr Timothy Sainsbury, Conservative MP for Hove

Sir, Dr Jeremy Bray, in his letter of December 11 appears to assume that all changes between the Green Paper and the Chairman's Draft Report and that report and the final amended version were the result of political compromise. Perhaps if he had attended the committee more regularly, he would have been aware that they were largely a reflection of the evidence presented to the committee. Very few of the changes between the two versions of the Chairman's Draft Report were the result of a vote in the committee on party lines.

Yours faithfully,
TIM SAINSBURY,
House of Commons.

Ruskin's bequest

From Mr D. B. Wardle

Sir, As a member of the Guild of St George for 40 years, and until recently its secretary, may I comment on the letter in Saturday's issue (December 13) from Mr Julian Spalding and others about the sale of the Verrocchio painting of the Madonna and Child from the Ruskin collection?

It is true that Ruskin originally wanted Sheffield to be the home of his collection, and hoped that the Corporation of Sheffield would build a worthy museum and gallery for it as a loan collection; but he was disappointed in this hope. The corporation demanded the collection as a gift, and this demand Ruskin refused; he was willing to guarantee that the collection would remain in Sheffield during his own lifetime, but had no wish or power to bind his successors to keep it there; this is clearly stated in his report to the Guild for 1885.

From 1935, the collection has been the subject of a formal agreement between the Corporation of Sheffield and the Guild, under which the latter has had the right to remove the collection or any part of it at three months' notice, the *collection being defined by reference* to an inventory which includes the Verrocchio painting. In removing first the bulk of the collection, and then the Verrocchio, from Sheffield, the Guild has acted in accordance with the terms of this agreement, and has not acted in disregard of Ruskin's wishes. (Mr Spalding did not mention that when the bulk of the collection was removed, it had been in store for a number of years and not available to anybody.)

The income from the sum to be raised by the sale of the painting is needed primarily to enable the Guild to take its full share of the costs of maintaining the collection and revitalizing it after many years in limbo; Mr Spalding heard the curator say, at a recent meeting, that many items were in a deteriorated state and needed money to be spent on them, as it has had to be spent on the Verrocchio; it is also planned to finance educational work in conjunction with the University of Reading, and perhaps other bodies. Ruskin's ideas are still potent and relevant, and the Guild can help to keep them at work in the modern context, if it has resources at its command.

Yours faithfully,
D. B. WARDLE,
19 Vanbrugh Fields, SE3.

Handling of the Chrysler crisis

From the Bishop of Chester

Sir, The subventions made by *succeeding* Administrations from public funds for the support of industrial manufacturing units are usually commended on socio-humane grounds with occasional overtones of political advantage. One aspect which does not appear to have been examined sufficiently is the effect, in a mixed economy, that such extensive grants may have on more or less solvent and efficient competitors. If a major part of the vehicle manufacturing industry receives massive injections of public money in grant-aid or debenture form, what is the likely effect on those remaining firms which do not require immediate help? There seems a real possibility of *psychological*, economic and market damage to the shareholders and workers in such successful companies.

A further extension of this thought must also question the effect on the stock markets and on the traditional methods of raising funds in the money market for investment purposes. If, as it would appear, we are passing from a mainly private and institutional financing of large-scale industry to the mainly public or governmental, then it would not be foolish to suggest that the foundations of economic life in this country are crumbling and that we should be taking steps, either to return to a freer system, or to plan and sacrifice for a much greater allocation of public funds to industry. A decision will have to be made by the Government and people. The middle ground can no longer be held with certainty.

I am, Sir, your obedient servant,
VICTOR CESTR,
Bishop's House,
Chester.
December 15.

From Dr H. R. Vickers

Sir, How much longer can a Government which pumps tens of millions of pounds into an ailing foreign controlled firm making cars which very few want in direct competition with British Leyland, while at the same time allowing our educational and hospital facilities to founder for loss of funds, maintain any shred of credibility with the long suffering taxpayer? The sooner the Governor General of Australia is transferred to the United Kingdom the better for the survival of our country.

Yours faithfully,
H. R. VICKERS,
The Old Smithy,
Little Milton,
Oxford.
December 15.

From Mr Christopher Davy

Sir, "Any advance on £5,000 for my vote at the next election?
"Sold to Wilson & Co along with 25,000 Chrysler votes."
(I'm sure Wilson & Co will understand if I change my mind in the meantime!)

Yours sincerely,
CHRISTOPHER DAVY,
Warr's Farmhouse,
North Chailey,
Lewes, Sussex.
December 14.

From Mr D. F. J. Paterson

Sir, It has been normal recently to say that if one owed the bank £1,000, one was beholden to the bank. If one owed £10m, the bank was beholden to oneself.

Today if a company requiring £500,000 employs 1,000 people, the company is at the government's mercy. If a company requiring £200m employs 100,000, the country is at the trades unions' mercy.

Yours faithfully,
D. F. J. PATERSON,
6 Taverners Close,
Addison Avenue, W11.
December 15.

From Mr Michael Hamilton, Conservative MP for Salisbury

Sir, Give generously this Christmas.
Give the Freedom of the City in a silver casket to the Prime Minister.
Give £200 million to Detroit.
Give a year to Britain.
It should see us out.

Yours faithfully,
MICHAEL HAMILTON,
House of Commons.
December 14.

Race relations

From the Chairman of the National Association of Community Relations Councils

Sir, Your criticism of the Home Secretary's decision to link the new Race Relations Commission with community relations councils would *appear to rest, finally, on two views* that display an unfamiliarity with the community and race relations field: that it is undesirable to involve the "quasi-judicial" Race Relations Commission with the local "campaigning and in-fighting", and that a community relations officer working within the local authority should be more able to affect its policies than one working outside.

The aim of the new Commission will be to promote equality of opportunity between people of different colour and to assist in bringing complaints of discrimination to the courts and tribunals. Community relations councils have similar aims; to promote equality of opportunity and to help prevent racial discrimination. To achieve these they have developed extensive programmes in housing, employment, education and the social services, encouraged the development of black minority group organizations and acted as a link between them and the local authority. It is a programme of which campaigning forms only a part and which is not designed to include in-fighting. The present Community Relations Commission provides backup services and specialist expertise while drawing heavily on the councils' fund of knowledge and experience in the development of its own policies. To sever this link in the new structure would create, quite unnecessarily, a serious danger of the Commission becoming remote, *over-centralized and insensitive*, while depriving the councils and those they serve of a vital resource centre and channel to national government.

I am surprised to find the argument for local government appointed community relations officers resurrected now. The strongest opposition to this proposal came precisely from those who are best placed to know that it would not work—from the local authorities themselves and the local community relations officers.

We look forward to developing a successful working relationship between community relations councils and the Race Relations Commission, in the knowledge that we are working in our differing but compatible ways towards the same goal—a society that is racially just.

Yours faithfully,
PETER EVANS, Chairman,
National Association of Community Relations Councils,
Dick Sheppard House,
6 Endsleigh Street, WC1.
December 14.

Rates for education

From the Chairman of Hertfordshire County Council

Sir, Fearful lest Mrs Smith's question (letters, December 10) whether she may refuse to pay that part of her rate demand which helps to finance the education service may go unanswered and inspire similar rebellious, if understandable, thoughts on the part of Hertfordshire ratepayers, I hasten to write *to explain that the answer is no.* As reported in *The Times* (December 4) their Lordships' decision turned on the interpretation of Section 30 of the Water Act 1973.

This does not affect the law which applies to general rates: Lord Wilberforce (although he dissented from the majority it does not appear that any of his colleagues disagreed with his statement) is reported as saying in his judgment: "That wording [of the General Rate Act 1967] embraced a wide range of services or facilities performed or provided by local authorities as to which it was thought right that the charge should be borne through the rating system by ratepayers and as to which an objection by an individual ratepayer that he got no personal or specific benefit from it, though commonly made and understandable enough, was not consistent with the system. One could not object to pay rates because one was childless or because one's street was unlit or got flooded when it rained."

Yours faithfully,
PHILIP IRETON,
Chairman's Room,
County Hall,
Hertford.
December 11.

Job description

From Dr A. H. Gomme

Sir, Whatever benefits come to us all from the Sex Discrimination Bill, the keeping up of English does not seem likely to be one of them. Already the grotesque "chairperson" has lost its jocularity and threatens to stay; and presumably we must now look forward to waitpersons and barpersons if we are to escape from female waiters and male barmaids.

Such absurdities, however, cannot be expected to count for much in the preparation of a Bill, among whose supporters is at least one who evidently believes that "secretary" is a pronoun. But perhaps this is another new usage thrust on to us; and "pro-noun" is now to be understood as an ellipsis for "professional noun". In this sense "prostitute" occurs to me as another pro-noun which is like "secretary" in that "while not necessarily confined to one sex", it has (in Mr Walker's words) "by custom and long use become identified with one sex". Such a consideration prompts a related question as to how marriage bureaux will be affected by the new legislation: will a female person, for example, looking for a husband *be obliged to add the proviso* "either sex considered"?

I am, Sir, your obedient serving person,
A. H. GOMME,
University of Keele,
Department of English Language and Literature,
Keele, Staffordshire.
December 12.

News about kidnappings

From Mr Marshall Stewart

Sir, The Balcombe Street siege did indeed pose police with a dangerous and delicate situation. But General Sir Horatius Murray and Mr Peter Thompson (*The Times*, December 12) do the radio broadcasters less than justice by implying that their coverage was irresponsible.

The radio broadcasters—and while I speak for Independent Radio News and London Broadcasting, the BBC has followed a *similar* path—acted with immense care throughout the Spaghetti House siege, the Herrema kidnapping and during last week's events in Balcombe Street. Indeed, Sir Robert Mark praised IRN for its coverage at Spaghetti House and generously thanked the media for its assistance last Friday night too. This suggests that cooperation which existed between the police and the media on these occasions had more than a tinge of responsibility about it.

You are aware of the blackout on the news of Mrs Matthews's release which radio observed on Friday afternoon. You will not, however, expect me to go into greater detail of the measures which this organization has taken to protect the individual and the public interests on these difficult occasions. You may care to reflect though that they have been resolved *with* and not *despite* the conscientious care of radio journalists.

Yours faithfully,
MARSHALL STEWART,
Chief Editor, Independent Radio News and London Broadcasting,
Gough Square, EC4.
December 16.

Fishery dispute with Iceland

From Mr D. Rachman

Sir, The escalation of the Icelandic dispute calls for comments from a few of us who have first hand knowledge of both adversaries and I would like to condemn those who have caused the present situation to arise.

The root of the trouble lies in the use of excessively industrialized methods of fishing by the East Europeans and to a lesser degree by West Germans and our own profit motivated large trawler fleet.

The arrival of the factory ship with an almost unlimited instant processing capacity for fish-meal etc, has turned a high protein source of food into a means of feeding pets and reconverting fish into eggs or pork at a lamentable efficiency by the affluent society. We read about good cod being turned into fish-meal at Aberdeen and know that the passage of the Russian fishing fleet, *can be likened to the* behaviour of "doles" so aptly described in Kipling's *Jungle Book*. The Icelandic attitude towards stock conservation is to be highly commended and had we adopted similar measures, there would not be so many derelict piers on the Scottish coastline. It is a great pity that in dealing with the extension of fishing limits, our Icelandic friends have not taken more time to arrive *at the settlement and assumed that* every nation can change instantly their economic policies. It is just as hard for our fishermen to change their occupation as it is for the Icelanders, but given time, remedial steps could be taken.

It is wrong to think it is fair to fit bow-thrusters to coastguard vessels to increase their manoeuvrability and to expect that no way can be found to deal with such a device. *Taking it out on sick seamen* is not in the Icelandic tradition and I hope that political expedience will not prevail in this connexion.

Our own efforts to conserve fish stocks have been poor, and our trawler fleet planners are at fault in lacking foresight and thinking that we can increase our catches by merely building more ships and using more sophisticated detection devices. The Icelanders have even fewer resources and we have not shown ourselves willing to help by either imposing further restrictions of net size, or size of trawler and above all, by not adopting a much more rigorous policy with regard to those who vandalize our own fishing grounds. To try and remedy the situation by overfishing the Icelandic grounds is not "cricket".

Such an attitude has nothing to *do with freedom of the high seas*; it merely implies that everyone has the right to plunder. Without a factory ship, many of the "poachers" would be hard pressed to carry the spoils and more jobs would be created for the fishing crews.

It is time some sanity was injected into the divisive situations which are splitting up old friendships and dividing the Western *world to the benefit of our real* adversaries who exploit every opportunity to break our ranks.

It is time some settlement was made even if we gave the Icelanders some financial assistance, to allow them to reduce their own catches while allowing us to retain a reasonable quota until our trawler fleet can be reorganized for alternative deployment. Above all, we must settle internationally the problem of exploitation of sea resources and impose rigorous restrictions on unlimited depletion of stock, especially by the more recent incomers into the fishing activities, instead of turning such conferences into mere "talking shops".

Yours faithfully,
D. RACHMAN,
29 Melrose Avenue,
Rutherglen,
Glasgow.

Closed shop legislation

From Mr John Hart

Sir, In the correspondence and recrimination that has followed your masterly leader of December 2 on whether Mr Foot is a fascist or not no one has observed that the monopolistic trade union legislation being imposed on us by him makes it nigh impossible for *new* trade unions to be formed.

Imagine the outcry if established business sought legislation to exclude all possible new competitors, plus the right to coerce existing outfits not within the magic circle of, say, the CBI, into merging with "official" ones.

Spain is struggling away from the official *sindicatos* of the corporate state. Mr Foot is struggling into them.

Very truly yours,
JOHN HART,
Deputy Chairman,
Association of Polytechnic Teachers
11 Mountview,
Mill Hill, NW7

From Mr M. H. Tiffen

Sir, Sir Oswald Mosley's letter of December 12 states that Fascism has been dead for many years. This is a pity—as under Fascist rule there were no unions, open or closed.

Yours faithfully,
M. H. TIFFEN,
39 Sutton Park Road,
Seaford, Sussex.

Radio 3 on medium wave

From Mr Mervyn Bryn-Jones

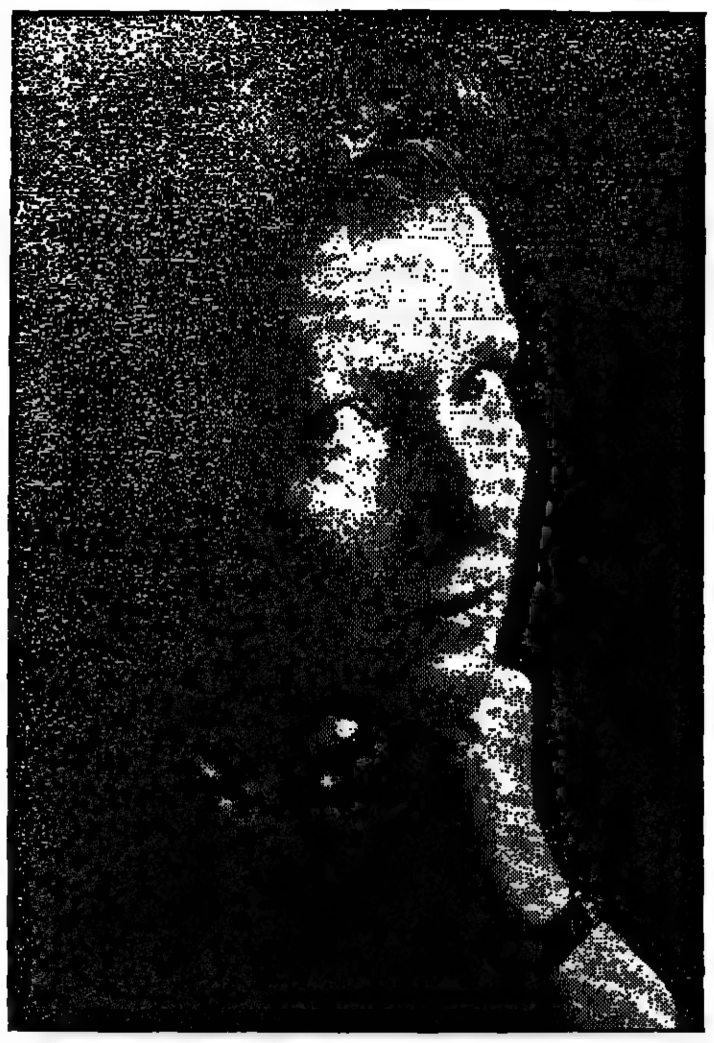
Sir, I am quite amazed that nearly two weeks have gone by and still no one has raised a voice in protest at the loss of Radio 3 on the medium waveband in the evenings. In just two years time unless one has VHF or lives in Northamptonshire one of the real achievements of the BBC will be completely unattainable.

How will those who live in areas of poor or non-existent VHF reception survive and what of the sanity of motorists in traffic jams or on those interminable motorway drives? Has no one told Bernard Levin of all this yet or has he been nobbled by Albania?

Yours faithfully,
MERVYN BRYN-JONES,
35 Lebanon Park,
Twickenham,
Middlesex.

Kicking the population habit

Sybille Bedford, author, contributes this week's column in our International Women's Year series


Snowdon

Yes, we are being told about the growing nightmare. Eighty million people added to the world population (of whom two thirds already do not get enough to eat) in 1974; more this year, more the next. . . . Yes, it is appalling, but surely it doesn't affect us? In the United Kingdom the growth rate is only 0.9 per cent. That can't be too bad. Well, compared to Asia and Latin America, no. But in fact England and Wales are already among the most crowded areas of the world, third only to Taiwan and Bangladesh; and Britain, unless we do something about it, will have another 3,000,000 human beings to house, feed, educate, transport and keep relatively sane by the year 2000. We are told the figures. Are we helped to realize what is at stake?

We have only got to look at the way in which we are already condemned to live, to *look at our high streets, our* roads, the waiting-rooms in hospitals and surgeries, high-rise blocks, at airports and railway stations. What will it be like in ten years, in thirty? How will the milling crowds cope with themselves and with each other? Men and women need the sense of being of individual account, of having some control over their lives. Yet there is the inevitable relation between a high population and *a loss of freedom—the* more numerous we become, the more we have to be administered (*for* sheer survival). *Anonymity, helplessness,* frustration lead to alienation and aggression, to attempts at finding identity and relief through drugs, musical orgies, adherence to extreme causes or political creeds and through acts of violence. Quantity *is* the enemy of quality. Surely, the over-running of this earth by the human species is a key factor in our present universal plight.

What to do about this horrible numerosity? In Britain we are doing *something*. The pill is free, we have clinics and advice centres, active voluntary bodies: about a third of the eight million women capable of getting pregnant *are using some reliable* method of contraception. There are the millions who do not. What has happened is that birth control *as an individual right has been* accepted (at least largely) in this country. Population control as a social necessity has not. It is not even *being* seriously advocated. My point is that it should be, and that we need a sense of urgency about it.

Now how many people polled in the street would name over-population as a major concern? The accepted view *is* still that anyone, fit or unfit, married, unmarried, wretched, happy, delinquent, law abiding, feckless, wise, in work or out, may produce as many future human beings (babies tending to become that) as they like. Neighbours approve such parents as conforming and unselfish. Unlimited childbirth, deliberate or haphazard, is one of the few *things left for which no one* needs a licence. A natural right? What is a natural human right? The right to life and *limb? We accept conscription* for men to go to war. However that may be, legislation, whether to limit families or test satisfactory parenthood, is unthinkable to present feeling. No government *would touch* it.

The only thing that would work is a change in social attitudes and habits. And this might be brought about, as were so many reforms and changes in this country, by the efforts of dedicated and courageous individuals and organizations. Educators, doctors, nurses, magistrates, MPs, churchmen (*quis custodiet custodes?* with so many still believing that the world can afford the luxury of *contesting abortion*). . . . The media, above all television, could help immensely. Is it beyond the wit of man and social conscience to find ways of making people realize that to have fewer children is now necessary, constructive and *unselfish?* There are many who would really choose to have no more than two, and there are those who temperamentally would prefer to remain childless if they were not often made to feel pitiable or odd.

Is the aim of reversing the present population trend so very Utopian? Beginning at home, it would not need a big swing to lower an annual growth rate of 0.9 per cent first to 0 per cent, that is a stable population, then lower it to a minus rate until we get to a desirable level. (One way a brave government might help would be through cash incentives—tax rebates favouring small families and childless people. Singapore *has* introduced such taxation measures; the first country to do so, and it will be interesting to watch the results.)

Leading by example, doing *more than one's bit in husbanding* the world's resources—might not that be the new role for Britain?—paving our own way towards a less hellish future than now seems to lie ahead of all of us? It will take time. Many of us will not live to see the fruits, but people young now would begin to, and for their children—a calmer, less crowded, more manageable world, more peaceful, less hungry, risks and pressures eased, more pleasant to live in. *Give a year for Britain? What* about every woman and man, of relevant age, having very long and careful thoughts before *beginning that new child?*

A place in childhood history

In January, 1962, a pale green pamphlet arrived on my desk. "Growing Point" said the cover, "Margery Fisher's regular review of books for the growing families of the English reading world: Volume 0 No 0"; and on the first page Mrs Fisher announced her intention to produce a magazine in the form *of this prototype.* The magazine would appear nine times a year and would seek to judge children's books as literature, an endeavour for which Mrs Fisher had proved herself admirably fitted with the publication a year earlier of *Intent Upon Reading* (Brockhampton Press), her "*critical appraisal* of modern fiction for children".

In due course—following payment of a subscription of 21 shillings—Volume 1 No 1 turned up. Its 16 pages contained reviews of 61 books and three periodicals, and featured one Special Review, one Old Favourite and nine Reminders; a retrospective glance at some books about Troy. From that time on—with a regularity disrupted only by the Post Office—*Growing Point* has made its nine appearances a year. The most recent arrival, Vol 14 No 5, follows the style of the first number closely, even down to reviewing almost the *same number of books, and, as with every* previous issue, the writing, editing and production have been carried out by Mrs Fisher more or less single-handed from her home at Ashton Manor, Northampton.

The amazing feature of this performance is not so much the managing of the magazine (whose price has only just edged up to £2 per annum), nor even the stamina which Mrs Fisher shows in reading and reviewing between five and six hundred children's books a year. It is rather the continuing freshness of her writing and the consistency and good-humoured tolerance of her judgments. Along with that other great reviewer, Naomi Lewis, she is the standing answer to *the librarian* Janet Hill's by no means unjustified claim that adults who read too many children's *books* are liable to softening of the brain.

Together with *Intent Upon Reading*, which, in its second edition of 1964, remains the most readable and stimulating guide to its subject, *Mrs Fisher has produced* a group of writings which add a less fugitive account of children's literature to the pioneering endeavours of *Growing Point*. Her book *Matters of Fact* (Brockhampton) is the only intelligent study ever published on non-fiction for children. Her Bodley Head monographs on *John Masefield* and Henry Treece are detailed accounts of the work of two writers for whom she clearly holds a strong affection. Her Introductions to such books as Margery Williams Bianco's *Poor Cecco* and R. H. Horne's *Memoirs of a London Doll* (both André Deutsch) *bring to perfection* the persuasive advocacy of vanished excellence which characterizes her discussion of Old Favourites in *Growing Point.*

Now, to this impressive body of work, Mrs Fisher has added her most ambitious and idiosyncratic volume yet. It is a weighty quarto called *Who's Who in Children's Books* (Weidenfeld, £6.95)—an ambiguous title, defined as "a treasury of the familiar characters of childhood".

Organized with academic rigour the *Who's Who* might well have proved a dry and disciplined aid for the less-well-read composer of crossword puzzles, but in *Margery Fisher's* hands it has become an altogether more original and informal document. While attempting to include "as many as possible of the characters who have become *household names" she has* chosen from among the multitudes of those remaining a number who interest her particularly and whose role in their stories provides fruitful *matter for discussion.*

Such a compromise between criticism and lexicography is naturally beset with dangers. At a mechanical level, the indexing methods are not tight enough to cope with the author's variety of approaches. At a factual level there are errors of data (*Jessica's Last Prayer!; The Magic Pudding* misdated by 15 years, etc) and errors of emphasis (Keeping's experimental pictures were surely "heralded" by *Shaun* and not *Alfie*; Ruskin's *King* was scarcely mid-Victorian when it was written in 1841, etc). And at a parlour-game level there are the questions of "who's in, who's out". (Personally I find it difficult to reconcile three entries devoted to one book by E. B. White with two entries for the whole of Rosemary Sutcliff's *oeuvre*.) *Worst of all perhaps is the shocking* treatment of the book's illustrations, which have been changed from their original sizes without notification (and frequently coarsened in the process), which bear many inaccurate captions, and which are granted no index references—faults which may *well be laid at the door* of the book's "designers" who these days seem to be obligatory to any publication.

Against such a catalogue of woes however there must be set Margery Fisher's genius for exposition. As with so much of her previous work, the *Who's Who* is always readable and frequently illuminating, for, by focusing on the nature of fictional character she is able to bring her hundreds of entries into a creative relationship with *each other*. *You may start* reading the *Who's Who* anywhere you like, and you may read in any direction, but before long Margery Fisher will have captured you *with her fresh* and often entertaining re-assessments. Best of all, she will drive you frenziedly to the nearest bookshelf or book emporium to seek out her chosen writers' works for yourself.

Brian Alderson

Miss Naomi Lewis, mentioned in the above article, has prepared an exhibition of Fantasy Books for Children, on show at the National Book League from now until January 10. In her extensively annotated catalogue, available from the NBL at 50p, Miss Lewis makes many judgments which compare interestingly with observations by Margery Fisher in the Who's Who.

Art in a child's eyes

Next year's National Exhibition of Children's Art, the kids' equivalent of the Royal Academy Summer Show, is expected to attract a record 50,000 entries. The closing date is April 17, 1976, when the enormous task of the seven member advisory committee under the chairmanship of Sir Norman Reid, director of the Tate Gallery, begins. After they have sifted through all the entries, the best offerings will then go on show, touring the country, from October, 1976.

Among the members of the advisory committee is Mr Frank Tuckett, now retired as an art lecturer. He has been *involved with the annual* exhibition—now in its 29th year—virtually since its inception.

Mr Tuckett does not believe that there *has been any significant change in child*ren's approach to art during that period. If given the freedom to express themselves, and not forced into a narrow stereotype *by their art teachers*, they will reflect the society around them, and do so with imagination and panache, Mr Tuckett says.

Boys, *he finds, are susceptible to the* influence of the media, and of comics, more than girls. The subject matter of a large proportion of boys' work still tend towards *the "manly" topics—bloody* battles, and scenes of heroism and derring-do. The only difference between today and a quarter century ago is that their work is based more on the television heroes than on the history books.

Girls, less influenced by the external entertainment stimuli, are still interested in depicting scenes of weddings, and marital and parental bliss.

It is easy, Mr Tuckett says, to pick out those entries which have been overly influenced by the children's teachers. They represent, not the child's own imagination, but an attempt to please the teacher. "Year after year we used to get scores of pictures of bulls running amok in a street. We know that these were all suggested as a topic by the same lady teacher".

One difference between when Mr Tuckett first became involved with children's art and today is that much more work is done with the new tools which have only recently become available, such as coloured felt-tipped pens.

The competition is open to children up *to the age of 17. There are four* divisions—seven years and under, eight to 11, 12 to 14 and 15 to 17. Paintings and drawings in any *medium are eligible for the* exhibition as well as *wood cuts*, linocuts, cut paper and collage. But copies of other pictures and posters, photographs and cartoons are not eligible.

The top prize is a £400 art training award, given for painting or sculpture. In addition, there is a school art award of £100 which will go to the school submitting the best group of pictures or a single group work, by at least five different pupils, and a school craft award also of £100 for the best group of craft exhibits. There are also a number of minor awards.

All entries have to be submitted to: Kellogg's National Exhibition of Children's Art, Trafford Park, Autopoint, Ashburton Road East, Trafford Park, Manchester, M17.

Marcel Berlins

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COURT CIRCULAR

…days today

…riages

…day's engagements

…iversity news

French horns for Oxford's music

By Geraldine Norman
Sale Room Correspondent

Handel's *Water Music* is to have a perhaps more authentic sound at Oxford University, which bought a French horn in D for £3,003, including *premium*, at Christie's yesterday, and another in F, for £600.60. Both instruments were made in London about 1730 and are to be restored to working order and used in eighteenth-century music. The horn in F *is required* for the first movement of the *Water Music*, that in D for the third.

The instruments were bought by the Oxford Foundation for Historical Musical Instruments. They are to be housed with the Bate collection of historical wind instruments. They came to light in the attic of a Scottish stately home. Christie's had expected them to fetch £700 to £1,000 each.

The sale included a cello by Gennaro Gagliano, of Naples, dated 1748, which went to a private collector at £15,015 (estimate £8,000 to £10,000). It is one of the highest auction prices on record *for such an instrument*.

The sale totalled £40,605, with 21 per cent bought in. Two main unsold items were an eighteenth-century harpsichord, unsold at £5,775 (estimate £7,000 to £10,000), and a seventeenth-century *Italian* violin, unsold at £2,541 (estimate £4,000 to £5,000).

Christie's sale of portrait miniatures and objects of virtu included mainly items from old *private collections. As usual, that* stimulated strong bidding. The total was £36,215, with 6 per cent unsold. A John Hopkins miniature of Jane Stanhop, later Lady Mountnorris, dated 1648, went to an English private collector at £9,471 (estimate £3,000 to £8,000).

At Sotheby's a sale of European ceramics showed the selective buying that has characterized recent sales. Middlerange Italian majolica made the top prices but was not *bid* to the giddy levels of some recent sales. A Deruta lustre dish of 1510-15 went to Ungarelli at £3,190 (estimate £2,000 to £6,000).

Strong prices included a very rare pair of Bow monkey sweetmeat figures at £1,595 (estimate *£1,000 to £1,500), a rare Plymouth* sugar caster at £638 (estimate £100 to £150) and a Meissen dancing peasant at £1,760 (estimate £700 to £1,000).

The unpredictability of prices *was demonstrated by a very rare* early Chelsea white "Chinaman and serpent" teapot and cover; unsold at £1,980 against an estimate of £3,000 to £5,000. In 1973, at the height of the boom, *its companion model* was sold for £15,000. The sale totalled £64,585, with 6 per cent unsold.

Wild prices will still apparently be paid for views of the Middle East. Sotheby's book sale included an 1811 printing of 16 views of places in the Persian Gulf, with eight views in Mauritius, at £1,925 (estimate £400 to £500).

High ivory and bronze prices: In a sale of Art Nouveau and decorative arts at Phillips some remark*able price levels were set for* 1920s ivory and bronze figures by Frederik Preiss, of Austria. The figures have seldom gone much higher than £1,000 at auctions, but at yesterday's sale Preiss's "The Balloon Girl" was sold for £1,900 to The Fine Arts Society

Forthcoming marriages

Mr N. J. W. Tavener and Miss A. S. Buckmaster
The engagement is announced between Nicholas, son of the late Mr E. A. Tavener and of Mrs Marjory Tavener, of The Luth, Wisborough Green, Sussex, and Ann, elder daughter of the Hon Colin and Mrs Buckmaster, of Ryece Hall, Brettenham, Ipswich.

Mr R. C. G. Shuckburgh and Miss J. M. Mackaness
The engagement is announced between Rupert, son of Sir Charles Shuckburgh, Bt, and Lady Shuckburgh, of Shuckburgh, Daventry, and Judith, daughter of Mr W. G. Mackaness and the late Mrs M. Mackaness, of Everdon, Northamptonshire, and formerly Aynho.

Dr H. Gill and Miss C. Hunt
The engagement is announced, and the marriage will take place in March, between Dr Herbert Gill, son of Mr and Mrs Jack Gill, of California, United States, and Charlotte, daughter of Sir John Hunt and of the late Hon Mrs Hunt, of 24 Parkside, SW19.

Mr P. E. Leslie and Mrs C. Wenban-Smith
The engagement is announced, and the marriage will take place shortly, between Peter Evelyn, son of the late Dr P. H. Leslie and of Mrs Leslie, of Haddenham, Buckinghamshire, and Charlotte, elder daughter of Sir Edwin Chapman-Andrews, KCMG, OBE, and Lady Chapman-Andrews, of 2 The Leys, London, N2.

Mr J. R. Hicks and Miss S. E. C. Flower
The engagement is announced between James, younger son of Mr and Mrs R. Hicks, of Grand Rapids, Michigan, and Susan Elizabeth, elder daughter of Mr Desmond Flower, of London, and Mrs Graves, of Tadworth, Surrey, and stepdaughter of Mr Gyles Graves.

Major J. Bromhead and Mrs C. M. A. Whitaker
The engagement is announced of John Bromhead and Joanna Whitaker (nee Caddell), widow of Mr C. M. A. Whitaker, of Bury and Watersfield, respectively, Pulborough, Sussex.

Mr E. C. Costelloe and Miss J. K. Thompson
The engagement is announced between Edmund Christopher, son of the late Mr P. J. Costelloe and of Mrs Costelloe, of Harrow Weald, Middlesex, and June Kristin, daughter of Mr and Mrs W. M. Thompson, also of Harrow Weald.

Mr H. G. Griffiths and Miss D. E. R. Edington
The engagement is announced between Howard, elder son of Mr Geoffrey Griffiths, Kinghorn, Fife, and Mrs Edward Ballard, Kirkbean, Dumfries, and Diana, elder daughter of Captain and Mrs John Edington, Gladsmuir, East Lothian.

Mr T. R. Halfhead and Miss V. J. Stimpson
The engagement is announced between Timothy, only son of Mr and Mrs R. Halfhead, of Penshurst, Kent, and Vanessa, only daughter of Mr and Mrs Peter J. Stimpson, of Brasted, Westerham, Kent.

Mr D. McCarthy and Miss C. Floyd
The engagement is announced between David, son of the late Captain James McCarthy, and of Mrs McCarthy, of Brackiyn, Mullingar, co Westmeath, Republic of Ireland, and Caroline, daughter of Mr and Mrs John Floyd, of Echinswell House, Echinswell, Newbury.

Mr M. G. Van der Gucht and Miss N. H. Tate
The engagement is announced between Michael Graham, son of Mr and Mrs Paul Van der Gucht, of Hindover, Limpsfield, and Nicola Helen, daughter of Mr and Mrs J. F. P. Tate, of Greenflags, Limpsfield Common, Surrey.

Luncheons

GLC
The Chairman of the Greater London Council was host at luncheon at County Hall yesterday for voluntary workers from the London boroughs of Hounslow, Islington, Kensington and Chelsea, and Kingston upon Thames.

Farriers' Company
The Master and Wardens entertained new members of the livery of the Farriers' Company, who included Captain Mark Phillips and Major Derek Allhusen, at a court luncheon yesterday. The other guests included:
Mr John Stevens, director of the Royal International Horse Show, Mr G. W. Kemp, vice-principal of Herefordshire Technical College and Mr R. N. Clarke, field officer of the company's farriery apprenticeship scheme.

Saints and Sinners Club
The Saints and Sinners Club of London held a luncheon at the Dorchester Hotel yesterday. Mr Percy Hoskins was in the chair, and the other speakers were Lord Home of the Hirsel, Mr Chris Bonington and Mr James Page, Commissioner of the City of London Police. Among those present were:
Lord Thomas, Lord Wakefield of Kendal, Lord Strathcona and Mount Royal, Lord Hirshfield, Sir Ronald Howe, Sir Gerald Glover, Sir Stuart Milner-Barry, Sir Trevor Evans, Sir Billy Butlin, Sir Berkeley Gage, Sir Bernard Delfont, Sir Emile Littler and Sir Raymond Brown.

Lord Willis
The Kensington and Chelsea Chamber of Commerce held their annual luncheon yesterday at the House of Lords. Lord Willis was the host and sponsor, and the guests of honour included the Mayor of Kensington and Chelsea and Deputy Assistant Commissioner C. Gibson, of Scotland Yard.

Nancy Baroness von Hoyningen-Huene-Oakes
After his investiture yesterday, Nancy Baroness von Hoyningen-Huene-Oakes gave a luncheon at Claridge's hotel in honour of the High Commissioner for the Bahamas, Sir Alvin Braynen, and Lady Braynen and for Mrs Edith B. Morris. The guests included:
Mr and Mrs Stanley Martin, Mr Felix Sawyer (Bahamas Students' Association) and Mrs Sawyer, Mr Alaric Ferguson, Mr and Mrs Anthony Kikivarakis, Mr and Mrs K. T. MacRae, Mr and Mrs T. Wynne, Mr and Mrs Julio Yurcola, Miss Pamela Jones, Miss Karen Bands, Miss Sophia Staiston, Miss Dorothy Woods, Miss Janet Jones, Mr Gregory Bethel, Mr Gautam Mukerjee and Mr E. Brown.

Dinners

General Council of British Shipping
The Duke of Edinburgh proposed the toast of the prosperity of British shipping at the annual dinner of the General Council of British Shipping held at Grosvenor House yesterday evening. The president of the council, Mr F. B. Bolton, replied and the other speakers were the Bishop of London and Mr R. O. C. Swayne.

Commonwealth Parliamentary Association
The Secretary-General, Commonwealth Parliamentary Association General Council, Sir Robin Vanderfelt, gave a dinner last night at Stone's Chop House in honour of the Premier of Antigua, Mr G. Walter. The other guests included:
Mr Eric Challenger, Mr Anthony Grant, MP, Mr Donald Halstead, Sir Lionel Luckhoo, QC, Mr Neil Marten, MP, Lord Segal, Dr Claudius C. Thomas, and Mr Gerald Watt.

Selsdon Group
The Selsdon Group entertained Mr J. Grimond, MP, at dinner yesterday evening at the Carlton Club. Mr David Alexander was in the chair.

Glass Sellers' Company
Mr Stanley Matthews was installed as Master and Mr W. E. C. Stuart and Mr S. T. Gray, as Wardens of the Glass Sellers' Company at a meeting at Vintners' Hall yesterday evening. At a dinner held afterwards those present included:
Sir Michael Cary, Archdeacon B. A. O'Ferrall, Mr C. Porteous, Mr M. C. Farrar-Bell, Mr Wallis C. G. Hunt, Prebendary D. C. Mossman, Mr H. K. S. Clark and Mr V. C. Hender.

25 years ago

From The Times of Saturday, December 16, 1950

Shoppers' market

Do you want a delightful Christmas Holiday? Then spend it on the sunny shore of Nice, the pearl of the French *Riviera*; 7 days full board from £8.12.0d.

French wines—Excellent quality Sauternes and Claret. 6s. per bottle; Red or White Vintage Burgundy, *7s.* per bottle; carriage paid, minimum order six *bottles*.

We sell a Kenya blend of the best pure coffee and specialize in supplying private households with small orders, e.g., 2lb, 8s. 8d., 3lb, *12s. 9d., post free.*

[From advertisers' announcements.]

search Council for three years for research on morphogenesis and differentiation in bacteria growing obligately by polar processes.
Dr H. R. Woodland: £90,631 from the MRC for five years for research on the regulation of gene activity in early development.
Dr N. H. E. Larcombe: A supplement of £31,586 to a grant from the SRC for research on tactile robot software development.
Professor Hirsch, Professor Williamson and Mr G. E. Wood: £57,200 (about £18,000) from the Ford Foundation over 18 months for research on the financing procedures of foreign trade.
Professor J. L. Douce: £120,509 from the SRC for three years for research on inter-university research on transportation distributed parameter systems and related problems.
Dr H. V. Shurmer: £12,470 from the SRC over three years for research on computer controlled and corrected automatic noise figure measurement.
Professor D. P. Kelly: £20,695 from the Natural Environment Research Council over three years and one month for research on environmental microbiology: growth, physiology of Thiobacilli, metabolizing iron, sulphur and nitrogen compounds.
Professor J. Eells: £15,000 from the SRC for 10 months for research on geometry of the Laplace operator.
Professor A. J. Forty and Dr P. W. McMillan: £13,050 from the SRC for three years for research on development and application of EXAFS.

Memorial services

McWhirter 'sacrifice' remembered

By Neville Hodgkinson

A service of thanksgiving was held yesterday in St Paul's Cathedral for the life of Mr Ross McWhirter, who was murdered at his home on November 27.

It was an unsentimental occasion, a tribute to a man said by those who knew him to have taken a disciplined, unsentimental stand in the defence of his ideas on individual freedom. It conveyed a stern determination to continue with that fight.

Lord De L'Isle, VC, chairman of the newly formed National Association for Freedom, said in the address that Mr McWhirter's death had illuminated the hideous perils of our national situation. He continued:

"Because one man was sacrificed to the cause of freedom, not as the result of some indiscriminate display of violence, but through a deliberate and calculated act, we are all in a new relation to our country, to its laws, to its institutions and to our whole precious inheritance.

"Ross saw sooner and much more clearly than most of us the terrible drift of events and he knew what he must do to counter it. Now that our eyes have been opened, it is for each of us in whatever degree to seek his or her opportunities for service in the cause of our country and of freedom."

The service was conducted by the Archdeacon of London.

Apart from Mrs Ross McWhirter, her two sons and Mr and Mrs Norris McWhirter and their children those present included Brigadier N. E. V. Short (representing the Speaker), the Lord Mayor of London, Mrs Margaret Thatcher, MP, Mr Airey Neave, MP, the Hon Anthony Berry, MP, Dr Michael Hooker, Colonel George Styles, Mr Harold Abrahams, Mr Rhodes Boyson, MP, the Mayor of Enfield and Rear-Admiral B. C. Godfrey Place, VC (representing the Victoria Cross and George Cross Associations).

Mr K. Carpmael, QC
The Lord Chief Justice attended a memorial service for Mr Kenneth Carpmael, QC, held at the Temple Church yesterday. The Master of the Temple Church officiated. Mr Justice Cumming-Bruce, Treasurer of the Middle Temple, read the lesson, and Sir Fred Pritchard gave an address. Among others present were:
Mr and Mrs Peter Carpmael, Mr and Mrs M. Carpmael, Miss S. Carpmael, Mr and Mrs Philip Carpmael, Mr and Mrs John Carpmael, Miss N. Carpmael, Mr Patrick Carpmael, Mr John Carpmael.
Viscount Dilhorne, Lady Denning (representing the Master of the Rolls), Lord and Lady Cross of Chelsea, Lord Salmon, Lady Diplock, Lord Wilberforce, Lord Morris of Borth-y-Gest, Lady Simon of Glaisdale, Sir George Baker (President, Family Division), Lord Justice Stephenson, Lord Justice and Lady Roskill, Lord Justice Orr, Sir Arthur Irvine, QC, MP, and Lady Irvine, Sir Eric Sachs, Sir Gordon Willmer, Lady Sarah Cumming-Bruce, Lady Audrey Morris, the Hon Ewen Montagu, QC, and Mrs Montagu, Sir Robert Micklethwait, QC, Lady Pritchard, Mr Justice Thompson, Mr Justice and Lady Ackner, Lieutenant-Colonel Sir Martin Gilliat, Mr Justice Templeman, Mr Justice and Lady Kilner Brown, Mr Justice Milmo, Mr Justice Cantley, Mr Justice Talbot, Sir Patrick and Lady Graham.
Sir Denis Dobson, QC, Sir Douglas Logan, Mr Justice Nield, Mr Justice Crichton, Mr Justice Latey, Mr Mervyn Davies, QC (representing the Treasurer of Lincoln's Inn), Judge King Hamilton, QC, Judge A. Karmel, QC, Judge Dixon, Judge D. Wild, Judge Ifor Lloyd, QC, and Mrs Lloyd, Judge McDonnell, Judge McCreery, QC, Judge Griffith-Jones, Captain J. B. Morison (Under Treasurer, Middle Temple), and Mrs Morison, Mr David Emms (Master of Dulwich College), Mr Andrew F. Ramsay (Smit International, Rotterdam), Mr H. O. Day (representing the Chairman of Lloyd's), Mr J. A. R. Finlay, QC, Commander C. C. Wake-Walker, Mr J. F. Wilmer, QC, Mr David Karmel, QC, Rear-Admiral E. Brayne-Nicholls (Officers' Pension Society).
Mrs Alan Duff, Mr Ambrose Crawley, Mr David Campbell, Mr Richard Stone, QC, and Mrs Stone, Commander G. Beattie, Mr C. Louch, Captain G. D. Symonds (Association of Royal Navy Officers), Mr R. Monroe, QC, Mrs D. Squibb, Mr J. Monroe, Mr D. P. Jones (Weatherall, Green and Smith), Mrs A. Klouda, Mr Richard Hunt, Mr Barry Sheen, QC, Miss R. Cummins, Mr N. Percy Metcalfe, Mr C. R. C. Turner (Smeatonian Society of Civil Engineers), Mr Michael Thomas, QC, Mr A. J. Bateson, QC, Mr John Platts-Mills, QC, Mrs John Naisby, Mr J. P. Harris, QC, Mr Gerald Darling, QC, Mr Percy Grieve, QC, MP, Major-General and Mrs Napier White, Mr John Mills, QC, Mr Owen Stable, QC, Mr Allan Rosman, QC, Mr Peter Bordell, QC, the Sub Treasurer of the Inner Temple, Mr F. Heyworth Talbot, QC, and Mrs Heyworth Talbot, Mr J. Gifford Gordon (Hill, Dickinson and Co) and Mr Raymond Crump and Mr Edward A. Norris (William A. Crump and Son).

Church news

New Bishop of Ripon

The Bishop Suffragan of Doncaster since 1972, the Right Rev S. H. Price, aged 53, has been nominated to succeed Dr J. R. H. Moorman as Bishop of Ripon. The new bishop, who is married with two children, has been a Church *Commissioner since 1973 and* deputy chairman of the houses committee.

Latest appointments

Latest appointments include:

Lord Goodman and Mr Edward Heath, MP, to be trustees of the *London Symphony Orchestra.*

The following to be full-time chairmen of industrial tribunals from January 2: Mr P. W. Haydon (London), Mr R. B. Lauriston (Newcastle upon Tyne), and Mr P. A. Webster (Cardiff).

Mr T. H. Caulcott, principal finance officer for local government financial policy in the Department of the Environment, to be the *next secretary of the* Association of Metropolitan Authorities.

Mr Denis Cummings, aged 55, has been named as the new chief executive of the Eggs Authority. He will succeed Mr Bernard Mallett in April.

Mr David Woodcock, aged 37, a lecturer, to be prospective Liberal candidate for Warwick and *Leamington*, held by Mr Dudley Smith (Conservative) with a majority of 8,245.

Dr Tom Kinninmont to be publishing research fellow in the National Library of Scotland.

Latest wills

Lord Northesk, of Barnes, London, left £315,144 net.

Other estates include (net before duty paid, duty not disclosed):

Cleaver, Mr Arthur Noel, of Syston £131,652

Howlett, Mrs Gladys May, of Lymington, *widow of Mr J. W.* Howlett £352,709

Kemp, Mr Derek Arthur Reginald, of St Saviour, Jersey (estate in England and Wales) .. £131,734

Pearcy, Hilda Constance, of Liverpool £187,527

Eton College

The Michaelmas half closes today. There are 129 boys leaving, including the captain of the school, G. A. M. Leggatt, KS, and the captain of the Oppidans, N. M. Berwin, OS. The Rosebery exhibition has been awarded to M. R. Gottlieb, KS. The House Association final between Mr T. S. B. Card's and Mr G. D. Roynon's was abandoned because of fog. The Lent half begins on January 14.

Advice for Saudis

A delegation from the Open University is going to Saudi Arabia to advise the King Abdul Aziz University at Jeddeh how to run courses for part-time students. The Open University has a £100,000 consultancy agreement with an Iranian university.

OBITUARY

DR G. B. MITCHELL-HEGGS

Noted dermatologist

Dr G. B. Mitchell-Heggs died *on December 15 at the age of* 71. He was a former Dean of St Mary's Hospital Medical School and one of the most respected dermatologists in the country with an international reputation that brought him honorary membership of the Dermatological Societies of Austria, Iran, Venezuela and Yugoslavia. He was equally *well know in the Territorial* Army where he had been successively commanding officer and honorary Colonel of the 17th (London) General Hospital.

His two hobbies of gardening and fishing epitomized his quite philosophical approach to life. Modest and retiring he yet inspired confidence in his *patients who felt, and rightly,* that they were receiving his entire attention, a first-class opinion and a sympathetic understanding of their often troublesome and distressing skin condition while his colleagues found him a never-varying source of sound advice in any inter-professional problem in which they might become involved.

Gordon Barrett Mitchell-Heggs, the son of a doctor, was born on June 10, 1904. He was educated at Nottingham High *School and St Mary's Hospital* Medical School where he was a Lord Kitchener Scholar. He graduated in 1929, proceeding to his London University MD three years later, followed by Membership of the Royal College of Physicians in 1933. He completed and widened his training at the universities of Budapest, Strasbourg and Vienna. For many years he was dermatologist to his old school and St John's skin hospital and from 1960 to 1967 he was Dean of St Mary's Hospital Medical School.

He had a varied and distinguished career during the Second World War, serving with the BEF in France and *then in Madagascar*, with the Middle East forces, in Sicily and in the Normandy and Belgian campaigns. He was mentioned in dispatches and in 1944 was appointed OBE. His Army career culminated in his appointment as Honorary Consultant Dermatologist to the Army.

In addition to his honorary membership of the Overseas Dermatological Society he was a corresponding member of the Dermatological Society of Belgium, Denmark, France, The Netherlands, Sweden and United States and was an Honorary Medallist of Louvain University. For many years he also represented Britain on the International Committee of Dermatology of which in due course he was made an honorary member.

At home his fellow dermatologists recognized his services *by electing him president of* the British Association of Dermatology and of the section of Dermatology of the Royal Society of Medicine. He had also served *on the Council of* the Royal College of Physicians of London, of which he was elected a Fellow in 1944.

DR R. E. GLOVER

Dr Ronald Everett Glover, CBE, FRCVS, died on December 12, at the age of 77.

He was born on Christmas Day, 1897, and was a pupil at Emmanuel School before entering the Royal Veterinary College in 1915. He served in France during the Great War, resuming his studies at the college following demobilization and graduated MRCVS in 1921. For a short time after graduation he did research work with the Ministry of Agriculture and the Medical Research Council. In 1924 he joined the staff of the newly created Institute of Animal Pathology at Cambridge under Professor J. B. Buxton and remained there until 1937, during which time his main investigations were into virus diseases, tuberculin tests and vaccination of cattle with BCG. He was awarded the Fellowship Diploma of the Royal College of Veterinary Surgeons in 1933.

In 1937 Dr Glover became Superintendent of the Farm Laboratories of the National Institute for Medical Research and for 10 years undertook research into human and swine influenza, the experimental spread of respiratory infections including tuberculosis and standardization of "Johnin". He joined the new Laboratory *Animals Bureau of the MRC* as its first director in 1947 and in 1949 was appointed to the newly established chair of veterinary pathology at the University of Liverpool. In 1952 *he* was awarded the Dalrymple-Champneys Prize of the British Veterinary Association and was president of the Royal College of Veterinary Surgeons from 1953 to 1954.

In 1955 Dr Glover was appointed Principal and Dean of The Royal Veterinary College and gave signal service to the college for a decade.

He was joint editor of the *Journal of Comparative Pathology* from 1943 until his death and chairman of council and honorary scientific adviser to the Animal Health Trust from 1967 to 1973.

Dr Glover was a kind and unassuming man whose great achievements, not always as widely recognised as they deserved to be, were the result of persistent and unobtrusive endeavour.

He leaves a widow and three grandchildren, his only daughter having died some time ago.

MR JOHN MILLAR WATT

Strip cartoonist

Mr John Millar Watt, one of *the finest artists to devote him*self to a strip cartoon, died on December 13 at the age of 80. His popular creation, "POP", the rotund, bald, bespatted figure, sporting top hat, cravat and tail coat, will go down in newspaper history as one of the earliest and best strip cartoons to appear in England and was one of the longest running.

Millar Watt was born in 1895 in Gourock on the Clyde. Educated in Ilford and at the Cass Art Institute in London, he joined the advertising agency of Mather & Crowther at three shillings a week, eventually succeeding Tom Purvis, the poster designer.

He joined the Artists Rifles in 1915 and was commissioned *in 1916 in the Essex Regiment.* After the war he went to the Slade School and while there drew some sports cartoons for the *Daily Chronicle.*

Answering an advertisement in *The Times* for an artist for the *Daily Sketch*, he thought up a number of ideas from which was born the prototype of "POP" in 1921. The final figure to emerge had a "figure eight" head with tiny eyes and button nose. No mouth was visible except when emitting a cry.

Later to join the cast were the Colonel, a tall tail-coated figure with white moustache, "Ma" and daughter Phoebe. Millar Watt's feeling for drawing children was only surpassed by that of Ernest Shepard.

Once launched, "POP" achieved an increasing popularity, appearing every day in the *Daily Sketch* for over 25 years, despite tempting offers from the rival *Daily Mirror* to lure him away. "POP" was syndicated throughout the world and annual collections *(now collectors' items)* were published by the *Daily Sketch* at one shilling per copy.

A tall alert figure with acquiline nose, he lived in active retirement in a spacious early Tudor house with Georgian frontage, in the medieval wool town of Lavenham, Suffolk. His chief hobby was buying antiques and period houses and restoring them.

He was also an expert on painting materials and methods of painting by the old masters, especially Titian and Rubens. An imposing copy of "Bacchus and Ariadne" by Millar Watt was a prominent feature in his hall at Lavenham.

During the Second World War, he volunteered to do war work—he wanted to design in an aircraft factory. "POP" however was considered a national asset to morale; King George V and Churchill were known to be devoted followers. Millar Watt went back to the drawing board and "POP" exchanged top hat for tin helmet and joined the Home Guard.

After the war, Millar Watt wanted to stop drawing "POP" and so an arrangement was made whereby the *Daily Sketch* kept the copyright and the strip was continued by another artist. He resumed painting and illustration at his leisure; the magazine *Everybody's* commissioned several series of historical illustrations, and "POP"-like figures with a wooden leg *appeared on the boardings* advertising beer.

Millar Watt's reputation is secure in his creation of one of the first and most original *comic strips of this century.*

He married a fellow artist, Amy Maulby Biggs, a painter who herself exhibited for 14 years at the Royal Academy.

MR K'ANG SHENG

Mr K'ang Sheng, a member of the political bureau and third vice-chairman of the Chinese Communist Party, has died, according to a report from Peking.

K'ang was a shadowy figure *on the Chinese political scene*, as befitted his involvement in security and intelligence work in the early years, and his later liaison work with foreign communist parties. From 1933 to 1937 he was in Moscow studying Russian security methods and sometimes described himself—with a wink—as the Chinese Beria.

After 1956 his Russian expertise was put to use in Chinese criticism of Soviet policies in eastern Europe and in the bitterness of the Sino-Soviet dispute in which he was wholly behind Mao Tse-tung.

He had a reputation as a dogmatic ideologist and returned to prominence in the cultural revolution as one of *the few old-time party members* actively associated with Mao's purposes, notably, perhaps, in isolating those whom Mao believed to be his enemies. K'ang's personal association with Mao also derived from his friendship and patronage of his fellow-provincial from Shantung, Chiang Ching, who left the stage world of Shanghai for Yenan and marriage to the party leader. Since his elevation to a party vice-chairmanship at the 10th party congress in 1973, K'ang had rarely appeared in public.

Mrs Christmas Humphreys, wife of His Honour Judge Christmas Humphreys, has died at the age of 84. She was *Aileen Maude, daughter of Dr* Charles Irvine and Alice Faulkner.

M Emile Pelletier, French Minister of the Interior in 1958-59 under General de Gaulle, has died in Toulouse *at the age of 77. He was later* Minister of State of the Principality of Monaco.

Stock Exchange Prices

Prices sustained

ACCOUNT DAYS: Dealings Began, Dec 12. Dealings End, Dec 24. § Contango Day, Dec 29. Settlement Day, Jan 7

§ Forward bargains are permitted on two previous days.

BRITISH FUNDS

COMMONWEALTH AND FOREIGN

LOCAL AUTHORITIES

FOREIGN STOCKS

DOLLAR STOCKS

BANKS AND DISCOUNTS

BREWERIES AND DISTILLERIES

COMMERCIAL AND INDUSTRIAL

A—B

C—E

F—H

I—L

M—N

O—S

T—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

SHIPPING

MINES

OIL

PROPERTY

RUBBER

TEA

MISCELLANEOUS

THE TIMES SHARE INDICES

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THE TIMES
BUSINESS NEWS

Findings of Think Tank report on car industry p19

...learing banks partner Government £162.5m rescue for Chrysler

...rice Corina
...ward Townsend

...eight days after the ... Corporation of ... withdrew a threat to ... its United Kingdom ...ry because of £80m of ...ive losses, the Govern...ith help from clearing ...s to risk up to £162.5m ...ic funds in backing a ...zed company.

...Department of Industry ... Treasury are invoking ...8 of the Industry Act, ... provide a mixture of ...s against future losses, ... loan, and banking ...ee for new medium ...pital.

... return, the parent ... organization has made ...ration of Intent on its ...nent to further British ...nufacturing, accepting ...part new financial liabi... to £133.5m.

... controversial deal ... to fly in the face of ...ntral Policy Review ...report on the future of ... industry.

... Government also dis... yesterday it had consi...nd rejected a complete ...ial merger with British ..., also helped under ...8 but nationalized and ...der the aegis of the ...ned National Enter...oard.

... the Government has ... against taking an ... shareholding (which ...ered by Chrysler), the ...ing of the rescue ... will apparently be ...d by the Department of ...y, advised by two gov...t nominees to Chrysler ...oard.

...anning agreement is a ...n of the financial aid. ...derstood that the NEB, ...ible for the rival Bri...yland, is opposed to tak... major role in supervis... reconstruction.

...City backed Finance For ...y organization is not participating in the funding operation, having consistently refused Chrysler UK the £35m it needed in new capital earlier this year.

Instead, the London and Scottish clearing banks will be providing the £35m medium-term loan under Treasury guarantee, counter guaranteed by the American parent company.

Their agreement is "in principle" and meetings are now being arranged urgently to settle how the loan, expected to be for maturity of seven years, with interest payable at a margin over interbank rates, will be shared out, probably on the basis of their individual bank size. Precise terms are not fixed, but it seems likely that the rate will be comparable, or slightly better, than the rates they might charge their "Blue chip" customers.

One suggestion last night was that the margin might be 2½ to 3 points over interbank rate (13½ to 14 per cent at yesterday's rates of interest).

While this is good business for the banks, given the Treasury guarantee, industry is likely to view this help to Chrysler UK with some interest. The Confederation of British Industry described the whole aid package as "wrong" and expected a lively reaction when council members meet later today.

The use of the Industry Act to subsidize losses up to 1979 has angered businessmen, who have noted that the £72.5m commitment by the Government for this is being supported by a general investment loan of £55m.

They are particularly sceptical as trade union cooperation was not sought or pledged in advance before such moneys were committed.

Behind the ambitious plans for new cars and fundamental changes in factory strategy is the central requirement to cut the 25,000-strong labour force by 8,000.

About 3,000 immediate redundancies are required at Linwood, Renfrewshire, because the Imp and later the Hunter will be phased out. The smaller work force will make a face-lifted Avenger and perhaps a new car later.

At Ryton, and other Midland installations, something like 2,500 redundancies are required, with about 3,000 to follow. Some natural wastage is expected to hold the dismissals at 8,000.

The new French-made Alpine car is to be assembled at the slimmed-down Ryton next year from Simca kits, requiring Chrysler to put in £10m to £15m for the necessary tooling.

If this is successful, another capital programme costing £23m is promised, with the aim of building up the United Kingdom content of the Alpine towards an all-British model at some vague date.

To encourage the unions, the carrot of other new cars and new trucks and vans is being dangled for 1977 to 1979. This promise is written into Chrysler's Declaration of Intent.

This declaration follows the various undertakings given by Chrysler over the period 1964 to 1972, when it first bought into the original Rootes Motors and later took full control.

The threat to withdraw from British operations was regarded by the Government as a breach of the original undertakings, given under both Labour and Conservative Governments in various official letters and public statements.

The Government has obtained assurances that Chrysler UK is placed "in all respects" on a par with other subsidiaries throughout the world.

While the declaration does not contain any specific pledge to raise exports, it is felt closer integration with Chrysler's world network will have this effect.

The vital Iran contract continues to be met from the Stoke plant at Coventry; but, as the CPRS study points out, this export business will decline in importance as Iranian local manufacture builds up over the next six years.

A rescue of Chrysler comes only 24 hours before representatives of Japanese car makers are due to meet their British counterparts to discuss their policies. They have overtaken Chrysler this year in market share. The CPRS advise the Government, in spite of tomorrow's talks on orderly marketing, "to study what other steps might be taken".

While the CPRS report is not government policy, ministers have yet to reply to the Commons Expenditure Committee's motor industry report, which was scathing about the British Leyland rescue and investigated Chrysler UK's problems.

Industry's overcapacity and Financial Editor, page 19

CHRYSLER PACKAGE

Government commitment

Loss subsidy:
1976 £40m plus a maximum of £10m.
1977 £10m maximum
1978 £7.5m maximum
1979 £5m maximum
Total: £72.5m
General investment loan: £55m.
Treasury guaranteed clearing bank loan: £35m.
Total potential Government commitment: £162.5m.

Chrysler Corporation undertakings:
Loss subsidy: £32.5m.
Guarantee on general investment loan: £28m.
Additional special investment money: £10-£15m plus additional £23m conditional upon performance.
Counter guarantee on clearing bank loan: £35m.

...eclaration of Intent by the corporation

...full Declaration of Intent ...ysler Corporation states:

... Majesty's Government ... and Chrysler Corporation ...er), have reached agree...n the broad terms on which ...r and HMG will cooperate ...engthen Chrysler United ...m Limited (CUK), so as ...imize the opportunities for ... of CUK in their mutual ...t and for the benefit of ... employees, dealers and ...ers and the United Kingdom ...y. In reaching this agree...hrysler stated its intentions ...ation to the long-term ... of CUK as follows:—

...t CUK will be viewed by ...r in the same manner and in all respects on a par with other Chrysler subsidiaries throughout the world and that it will continue to play an important and expanding role within the total Chrysler group.

2. That CUK's products and model ranges will be planned as an integral part of Chrysler's overall worldwide product plan so that CUK's products will be complementary to and have a specific and definable position within the total Chrysler worldwide product offering.

3. That CUK, following the reorganization in 1976 required to strengthen the long-term future of the company, which will necessarily involve redundancies, will embark on a programme of modernization and investment in new models which will help it to grow and prosper in the United Kingdom and specifically, to provide continued employment at CUK's principal plants located at Ryton, Stoke, Luton, Dunstable and Linwood.

4. That CUK will move forward quickly, starting in 1976, to introduce as new models:

(1) A new improved Avenger to be produced late next summer.

(2) The Chrysler C6 car to be assembled within the UK in 1976.

(3) A new small conventional drive car to be introduced in 1977.

(4) A new van/truck to be introduced in 1978.

(5) A new light car to be introduced in 1979.

5. That Chrysler will support CUK's efforts to the full extent of Chrysler's managerial, product planning, engineering, design and worldwide distribution facilities in the same manner as it supports its other subsidiaries throughout the world.

6. That CUK will work with its employees on the basis of expanding employee participation to improve the long-term productivity of CUK, so as to make CUK increasingly competitive in the world automobile market and thus improve its opportunities for growth, increased employment and improved profitability.

...arning by Vauxhall against distorting competition

...xhall gave a warning last ... that the Government must ... that its ownership of a ...ntial segment of the car ...ry was not allowed to ...t competition.

...n obvious reference to the ...al Policy Review Staff's ...t, it admitted that produc... was too low and accepted ...some of its problems had ... management's responsibi... but it said successive governments must also accept responsibility.

"The motor industry has been used as a basic financial regulator with home markets demand often depressed to the extent that it has not been possible to operate new investments at a reasonable capacity," the statement said.

Criticism of Vauxhall product quality today was "just not justified." Intensive action had been taken to ensure and maintain the highest levels of quality.

Frank Vogl writes from Washington: Chrysler said today it was "extremely pleased" with the "positive conclusion" of negotiations with the British Government.

It described the agreement as "a good one" which would revitalize and strengthen Chrysler UK.

It was now confident that with the help of the British Government and the unions, through the new employee participation plan, it could bring about productivity improvements and increase competitiveness.

There was little doubt at Chysler's headquarters in Detroit that the agreement could mark a fresh start for the company in Britain.

Pickaback cargo barge scheme is abandoned

A Danish shipping company yesterday blamed dockers at the Humber ports for forcing it to cease its United Kingdom operations. The company, Barge Aboard Catamaran (UK Limited), known as Bacat, introduced an entirely new pickaback cargo barge transport system to Britain with a Hull-Rotterdam service 18 months ago.

Barges loaded at inland waterways and canal wharfs were towed to Hull and loaded into a catamaran mother ship for the North Sea crossing to Rotterdam, where they were floated out and towed to riverside destinations. But Hull dockers said the system was depriving them of work.

The company paid dockers to watch the unloading and loading of the barges and for taking cargo out of one barge and loading it into an identical barge so they could have jobs within the system.

Eventually the dockers blacked the Bacat ships, the barges and the cargoes and the transport which served them.

The service cost about £3m to establish. The catamaran barge was built in Denmark, but its 73 barges were built at Hull. The company postponed its plans to build a bigger ship when it continued to meet resistance from the dockers.

"This new system was the target for unofficial dockers action, due to being 'too efficient'", said a company statement yesterday. "The blacking imposed in September, 1974 by the unofficial shop-stewards committee of Hull dockers has had no effect on the practical operation of the system."

Peter Hill writes: The British Waterways Board, which was a partner in the Bacat service, was predictably disappointed with the decision. Sir Frank Price, the board's chairman, said that it had been hoped that the problems inevitably associated with the introduction of modern techniques could have been overcome.

"In the opinion of the board, if the country is to continue to compete in the international market, systems such as Bacat, which reduce transport costs, are bound to be accepted eventually", he said.

The BWB chairman said that his organization had been actively involved over the past 18 months in attempting to resolve the problems in the operation of the service.

The decision to withdraw the service, he continued, was obviously a setback to the board and commercial waterways in the north east.

Our Planning Reporter writes: Withdrawal of the Bacat service, the Department of the Environment indicated yesterday, would not materially affect its decision on whether or not to go ahead with widening the Sheffield and South Yorkshire Navigation between Goole and Rotherham.

The project, estimated to cost some £5m, has been under consideration for nearly four years, and would enable large Continental-type barges to travel to and from a proposed new inland port near the Yorkshire-Lancashire industrial belt.

Burton Group lifts gloom despite drop in operating profits

By Ronald Pullen

Stock markets responded favourably yesterday to the full-year results from Burton Group, the clothing retailers and property company, with the "A" non-voting shares gaining 5p to 30p.

The shares have been uneasy for many weeks after the criticism directed at the company this year. And the stock market's reaction was more a sign of relief that the results were not worse than they were, rather than any expression of confidence.

Menswear retailers have been among the first trades to be hit by the decline in consumer spending.

Operating profits from the menswear side rose from £2.32m to £3.52m, though suit manufacturing continues to operate at a heavy loss.

Much higher profits from the Top Shop womenswear chain were offset by the plunge into losses of £894,000 from profits of £556,000 last year at the Rymans office furniture and Greens audio and photographic chains, and increased losses in France.

With sale and leaseback deals also cutting property income from £3.78m to £3.06m, operating profits overall fell from £6.18m to £5.65m.

Borrowings increased by £3m last year to finance stocks and debtors—both up more than £5m—but interest charges dropped back by £200,000 to £4.53m.

Unlike last year, when profits on the sale of properties almost covered interest costs, these have also fallen from £3.87m last year to £1.15m.

Profits, however, have also been boosted by more than doubled debenture and loan stock redemption profits of £1.6m. Despite the fall in profits, the gross dividend has been maintained at 6.59p a share.

Earlier this year, Burton was the centre of a controversial attempt by the stockbrokers J. & A. Scrimgeour to ginger up the major institutional shareholders in the company to press for management changes in the face of the disappointing record since Mr Ladislas Rice had taken over the helm.

Scrimgeour highlighted the group's unsuccessful diversification record and its failure to move quickly enough from the made-to-measure to ready-to-wear suit market.

The attempt was unsuccessful, though the institutions have subsequently been brought into closer contact with Burton's management and there are currently efforts to change the group's share structure, which gives family interests the voting monopoly.

Financial Editor, page 19

$1,900m General Electric merger plan faces inquiry

Washington, Dec 16.—The Government intends to investigate a proposed merger of General Electric Company and Utah International Inc, but it has not been determined whether this will be carried out by the Justice Department's anti-trust division or the Federal Trade Commission.

A Justice Department spokesman said that the anti-trust division had not been notified by either company of the merger plans before the public announcement.

Authorization of negotiation for a definitive merger was announced today by directors of GE and Utah. Under the proposed terms, and the current GE stock price, the transaction would have a value of $1,900m (£950m).

The proposed merger is to be achieved through a tax-free exchange of 1.3 shares of GE Common for each share of Utah Common. GE has about 183.3 million shares outstanding and Utah has about 31.5 million.

GE stock closed in trading yesterday on the New York Stock Exchange at $47.25, up 75 cents. Utah was $47, unchanged.

Completion of the merger is subject to negotiation of a mutually satisfactory agreement and to approval by the boards and shareholders of the companies, as well as the required governmental clearances.

GE is the country's largest maker of electrical equipment. Utah's principal business is mining coal, iron ore, uranium and copper, but it also has interests in land development, ocean shipping and acquisition and development of oil and gas properties.

The proposed acquisition compares with the 1974 takeover by Mobil Oil Corporation, of control of Marcor Inc for $800m.—AP-Dow Jones.

De Beers to raise diamond prices by 3pc

The price of rough gem diamonds sold through De Beers's Central Selling Organization is to be raised by an overall 3 per cent from January.

The increase will vary according to the size and quality of stones. With the demand for large diamonds still quiet, price increases will be directed towards smaller stones of 1½ carats and below.'

Rolls-Royce difficulties may hit Lockheed

Washington, Dec 16.—Continuing financial difficulties of Rolls-Royce could again result in problems for Lockheed Aircraft Corporation, which was saved only by federal government loan guarantees when the British company went into liquidation in 1971.

The latest statement by the head of Rolls-Royce today comes at an unfortunate time for Lockheed, which uses the RB-211 Rolls engine for its new jumbo aircraft. The company is in the midst of major negotiations with its bankers and the Rolls difficulties could damage its relationship with them.

Lockheed said today that it had agreed with its 24 lending banks to extend the period under which it must finalize the restructure of its debt. The extension is subject to approval by the Government's emergency loan guarantee board.

The bankers have now given Lockheed until May 15 to meet a set of detailed conditions so that on that date the long planned conversion of $43m (£21.5m) of credit notes and $7m of deferred interest credits, held by the banks, can be exchanged for Lockheed preferred shares. This phase of the restructure should have been completed last month.

Anti-trust ruling cuts EEC sugar fines

From David Cross
Luxembourg, Dec 16

A large part of the European Economic Community's anti-trust case against the largest continental sugar producers collapsed today when the European Court of Justice reduced or annulled record fines on the 16 companies involved.

In an historic ruling in Luxembourg the court blamed the absence of free competition among the companies mainly on the way in which the Community's sugar market had been organized by member states.

The EEC sugar market left only a residual field for competition and the conduct of the sugar companies could not be assessed with the usual severity reserved for breaches of the Community's strict anti-trust rules, the court maintained.

This was the basis for the appeal by the 16 French, West German, Italian, Dutch and Belgian companies against fines totalling nine million units of account (about £4.5m). The court has reduced these to a total of a mere £800,000 or so.

During the appeal proceedings, which took nearly three years to complete, the companies maintained that the EEC sugar market, with its systems of import quotas and prices and its special national provisions for Italy, had eliminated competition in advance.

In a decision handed down in January, 1973, the Commission accused nearly all the firms of unfair price-fixing and partitioning of national markets. A handful of companies like the Raffinerie Tirlemontoise of Belgium were additionally accused of abusing their dominant position.

Today's court ruling completely clears all companies accused of abusing their dominant positions on the ground that the main fault lies with the way the sugar market has been set up.

All the fines, totalling about £900,000, on six Italian companies involved, are also annulled because of the way Italian national sugar regulations hamper free trade.

But the Commission's case against Belgium and French companies, who were accused of distorting free competition in export tenders, are upheld by the court. So, too, are allegations of concerted practices designed to protect the sugar market in The Netherlands.

Implicit in the court's ruling is criticism of member governments for having failed to remove internal barriers when they set up the Community's sugar market system.

In a series of cartel rulings, the court has blamed the Commission for failing to do its homework properly before taking anti-trust action against EEC and American companies.

The following companies had their fines reduced:

Raffinerie Tirlemontoise (Belgium) from 1,500,000 units of account to 600,000.

Sucres et Denrées (France) from 1,000,000 to 100,000.

Beghin (France) from 700,000 to 100,000.

Say (France) from 500,000 to 80,000.

Générale Sucrière (France) from 400,000 to 80,000.

Suiker Unie (Netherlands) from [illegible],000 to 200,000.

Centrale Suiker Maatschappij (Netherlands) from 600,000 to 150,000.

Pfeifer und Langen (West Germany) from 800,000 to 240,000.

Südzucker (West Germany) from 200,000 to 40,000.

The following companies had their fines annulled:

Eridania (Italy) with an original fine of 1,000,000 units of account.

Italiana Zuccheri (Italy) original fine 300,000.

Cavarzere (Italy) original fine 200,000.

Emiliana, Volano and Sadam (all Italian) original fines 100,000 each.

Süddeutsche Zucker (West Germany) original fine 700,000.

UK puts package of limited import curbs to Brussels

From Michael Hornsby
Brussels, Dec 16

Britain today notified the European Commission of its intention to introduce a limited package of import controls, according to informed sources in Brussels. Beyond this, little information was available except the disclosure that, contrary to expectations, Britain did not invoke Article 135 of the Treaty of Accession to the Economic Community.

This article permits import controls "if, before December 31, 1977, difficulties arise which are serious and liable to persist in any sector of the economy and which could bring about serious deterioration in the economic situation of a given area".

Instead, Britain may have decided to invoke Article 109 of the Treaty of Rome, which allows a member state in balance of payments difficulties to take the "necessary protective measures" provided they "cause the least possible disturbance in the functioning of the Common Market" and are "not wider in scope than is strictly necessary to remedy the sudden difficulties which have arisen".

Under Article 109, the European Commission and other member states must be informed of such protective measures "not later than when they enter into force". This would relieve Britain of the need to get the prior approval of the EEC before imposing any import curbs. Italy used Article 109 when it introduced an import deposit scheme.

It is also possible, however, that Britain may not have invoked any safeguard clause in the various EEC treaties. The European Commission declined to comment on what it described as "advance information" of British import measures.

At an informal meeting of EEC finance ministers in Brussels yesterday, Britain's partners were given assurances that the Government would not impose draconian curbs, particularly on sensitive products such as cars, and concentrate its measures instead on items like textiles and shoes.

Nevertheless, restrictions on textile imports could create difficulties for the EEC because of commitments accepted on behalf of member states in the framework of the multi-fibre accord of the General Agreement on Tariffs and Trade.

David Young writes: The possibility that Britain will not use any legislation available under the EEC rules to introduce selective import controls tomorrow is considered likely in Whitehall.

From this, it is assumed that the controls which Mr Healey will unveil will extend only to goods manufactured outside the Community, and that the only legislation Britain will take advantage of will be Article 19 of the Gatt agreement.

The talks British officials have had this week in Brussels have apparently been concerned with getting united EEC support for Britain in its application under Article 19, which allows countries, as a result of unforeseen developments, to suspend tariff concessions if goods are being imported in a way that domestic manufacturers of the same type of goods are threatened.

Under the Gatt agreement, countries who wish to implement Article 19's provisions should, where practicable, give notice in writing to other countries affected

However, if agreement is not reached, Britain can take any such action at the risk of retaliation.

Steel curbs sought, page 18

...rmah offshoot ...ving its ...) to Britain

...rmah Oil announced in ...on yesterday that control ... tanker subsidiary, Burmah ...Tankers, would be trans...d, from January 1, to ...ah Oil's headquarters at ...don, Wiltshire, from New ... City.

... a result of this decision, ...ah said, Mr John ...ullen, who joined Burmah ... Tankers as president and ... executive officer early ... year for a limited period, ...d retire from that office ...anuary 1.

...s services and those of his ...pany, John J. McMullen ...ciates, would continue to ...available to Burmah under ... terms of a consultancy ...ngement.

...e statement added that Mr ...ert S. Haddow, who retired ...resident of Amoco Shipping ...pany earlier this year to ...me shipping adviser to ...nah, would succeed Mr ...Mullen as chief executive of ...mah Oil Tankers.

...urmah said it would con...e to maintain a small staff ... New York to work on its ...ted States operations.

...wo oil fleets ... merge

...Britain's two largest parcel ...ker fleets, Panocean (owned ... P & O and Ocean Steamship) ...d Anco Tanker Services ...ned by Tate and Lyle) are to ... merged to form a single 22-...p fleet under one manage...nt, it was announced ...sterday.

Contrary to recent market ...ports, there will be no change in the shares or ...ets on the two owner ...mpanies, it was emphasized. Chairman of the new ...mpany, Panocean-Anco, will ... Mr Colin Rowan of Tate and ...le, and managing director ...ill be Mr John Maltby of ...anocean.

General accord on tanker rescue scheme

By Peter Hill
Industrial Correspondent

General agreement on the need for co-ordinated measures to alleviate the crisis in the world's tanker industry—which if implemented could restore equilibrium between supply and demand by the end of 1978—was reached in London yesterday.

More than 60 representatives from the shipbuilding, tanker-owning, banking and oil company communities from 15 countries attended the meeting, convened by the International Association of Independent Tanker Owners.

Apart from reaching agreement for a joint programme of measures between the four sectors, delegates decided to establish a working committee representing the sectors under the direction of an impartial chairman.

A working party report, which formed the basis for yesterday's discussions, had given a warning that the surplus would persist through 1980-83 if no action was taken.

How the markets moved

The FT index: 367.8 +4.3
The Times index: 152.39 +1.15

Rises

Atlantic Assets	3p to 34p	LRC Int	4½p to 43½p
RH South	5p to 190p	Pilkington Bros	10p to 293p
Debenhams	5p to 87p	Rio Tinto	6p to 180p
Duncan W	5p to 125p	Tube Invest	8p to 302p
GKN	10p to 260p	Tunnel Hldgs	6p to 186p
Linfood Hldgs	17p to 235p	Utd City Merc	4p to 29p
Metal Box	5p to 283p	Vickers	4p to 143p

Falls

Arb-Latham	8p to 160p	Lipton L	1p to 25p
Brown Shipley	10p to 150p	Mono Containers	1p to 23p
Brit Sugar	5p to 320p	Peko Wallsend	5p to 455p
De Beers Ind	20p to 580p	Rennies Cons	5p to 225p
Elsburg Gold	8p to 175p	Spear & Jackson	5p to 95p
HK & Shanghai	6p to 294p	Thurgar Bardex	½p to 4½p
Imp Cont Gas	5p to 333p	Wankie Colliery	3p to 35p

Equities stayed firm in very quiet trading.

Gilt-edged securities were unable to maintain early gains.

Sterling was 15 points higher at $2.0185. The "effective devaluation" rate was 30.0 per cent.

Gold was 75 cents an ounce up at $139.

SDR-$ was 1.16880 on Tuesday, while SDR-£ was 0.579389.

Commodities: Reuters index was at 1168.3 (previous 1160.5).

Reports pages, 20 and 21

THE POUND

	Bank buys	Bank sells
Australia $	1.67	1.61
Austria Sch	38.50	36.50
Belgium Fr	[illegible]	81.00
Canada $	2.09	2.04
Denmark Kr	12.75	12.35
Finland Mkk	8.05	7.80
France Fr	9.20	[illegible]
Germany DM	5.45	5.25
Greece Dr	79.00	74.00
Hongkong $	10.35	9.95
Italy Lr	1505.00	1459.00
Japan Yn	640.00	615.00
Netherlands Gld	5.55	5.35
Norway Kr	11.50	11.15
Portugal Esc	71.00	61.00
S Africa Rd	1.88	1.76
Spain Pes	123.50	118.00
Sweden Kr	9.15	8.85
Switzerland Fr	5.45	5.25
US $	2.06	2.01
Yugoslavia Dnr	40.50	37.00

Rates for small denomination bank notes only, as supplied yesterday by Barclays Bank International Ltd. Different rates apply to travellers' cheques and other foreign currency business.

On other pages

EEC authorizes steel takeover of Alfred Simpson

Brussels, Dec 16. The European Economic Community Commission has authorized the British Steel Corporation to acquire the stainless steel stockholding business of Alfred Simpson of Manchester.

Simpson is a wholly-owned subsidiary company of Head Wrightson—a company engaged mainly in the heavy engineering industry. Simpson's activities include stocking, processing and selling of carbon, alloy and stainless steel products.

The authorized transaction involves BSC acquiring the goodwill of the stainless steel stockholding business carried on by Simpson, together with the land, buildings and stocks related to this branch. It gives BSC about 9 per cent of the British stockholders' market for stainless steel products.—Reuter.

Lending rate lowered

Banque Nationale de Paris (BNP), the French nationalized bank, said yesterday it is to lower its basic lending rate to 8.60 per cent from 8.60 per cent.

Private steel pressing for import controls

By Peter Hill

Further pressure on the Government to introduce controls on selected steel imports is being planned by Britain's private steelmakers.

Special steel producers, particularly those in the Sheffield area, have asked the British Independent Steel Producers' Association to lodge an application with the Department of Trade for an anti-dumping investigation to be launched into imports of special steels produced by Japanese steel companies.

The association, which last month persuaded the Government to investigate imports of low-priced reinforcing bars from Spain, is preparing other applications for consideration by the Department.

It is understood that the complaints, apart from those involving the Japanese, will relate to Spain, Austria and Sweden.

Meanwhile, producers of high-speed, stainless, and tool steels have asked BISPA to submit a detailed application against imports of stainless steel bars from Japan. Companies involved are understood to include Osborn Steels, Firth-Vickers Stainless Steels and Sanderson Kayser.

Domestic producers are not too concerned, apparently, at the volume of these imports, but at the prices which are bein chared by Japanese companies

Israeli plea to Britain over boycott

By Malcolm Brown

Israel is to ask the British Government to stop countersigning documents relating to the Arab boycott.

Mr Dan Halperin, adviser on the Arab Boycott of Israel to the Israeli Minister of Finance, said yesterday that he would be seeing senior officials of the Foreign Office this week to press for an end to the practice under which the office countersigns boycott certificates.

These are documents witnessed by lawyers which state that a company intending to trade with certain Arab states is not connected with any concern on the Arab blacklist and that the goods are "exclusively of British national origin." Iraq is known to demand such documents as a condition of trade.

Mr Peter Shore, Secretary of State for Trade, was asked during his visit to Israel in October to take up the matter with the Foreign Office. But no progress has yet been made.

Mr Halperin will also be meeting Department of Trade officials to urge them to take a more positive line in advising British companies about the boycott. The Israeli government is deeply disturbed by the growing tendency of British companies to give in to pressures from the Arab Boycott of Israel Office in Damascus.

Britain is affected through the so-called secondary boycott, under which companies can be blacklisted if they breach the boycott office rules in trade with Israel. Mr Halperin said this practice was "like sending a bullet through someone who stands between you and your target".

He will ask the Department of Trade to modify significantly the advice it circulates to companies requesting information. This advice sheet states the British Government's opposition to trade boycotts of all kinds, but contains the important caveat: "It is for each firm to decide in the light of its own commercial interests what its attitude is to be towards the boycott and whether or not or how far it will complete and return questionnaires from boycott offices."

Israeli pressure has already succeeded in persuading Mr Rogers Morton, the United States Commerce Secretary, to drop a similar caveat from his department's documents.

The Israeli Government wants the Department of Trade to advise British companies that the Government deplores the boycott and that companies should take government policy into account when reaching decisions.

Japan to end voluntary export curbs

Tokyo, Dec 16.—Japan has decided to lift its self-imposed curbs on export shipments of electronic appliances, dry batteries and umbrellas to West European markets from next month.

The decision was made by the cabinet following an understanding reached by the European countries about the restraints.

Electronics such as radios, television sets and tape recorders to the three Benelux nations, dry batteries to eight European countries including West Germany and France, and umbrellas and their frames to six European Economic Community nations are covered

Industrial output figures show signs of an upturn

By Tim Congdon

Industrial production has stopped declining and may be beginning to revive. But the recovery, if it does start in the next few months, will be from very depressed output levels.

The index of all industries output rose by ½ per cent between September and October, according to provisional estimates published yesterday by the Central Statistical Office. It was 0.3 per cent higher in the three months to October than in the three months to June.

So far the manufacturing industry has shown a slightly weaker revival. Its output rose by a negligible amount between September and October and was 0.1 per cent lower in the three months to October than in the three months to June.

The CSO notes that, after the sharp decline earlier in the year, industrial output has shown a much smaller downward movement in recent months and may have levelled out. The decline in the first half of the year was so sharp that output now is scarcely above that in 1970 and 1971.

Every industry has been badly hit by the recession. The engineering industry, which was one of the latest to feel the effects of the downturn, has become the worst affected, suffering a large output drop of 1.4 per cent in the latest three monthly period compared with the previous three monthly period. But the chemical industry experienced a strong output growth over the same period.

The output decline has been much exacerbated by an unprecedented destocking process in industry this year.

INDUSTRIAL OUTPUT

The following are the index numbers of industrial production in October, seasonally adjusted released by the Central Statistical Office yesterday (1970=100):

		All Industries	M'facturing total
1973	Q1	109.9	109.9
	Q2	109.6	110.0
	Q3	110.7	111.5
	Q4	109.5	110.5
1974	Q1	104.4	106.5
	Q2	107.9	109.4
	Q3	108.3	109.6
	Q4	104.8	105.7
1975	Q1	104.8	106.1
	Q2	100.2	100.4
	Q3	100.0	100.1
October		105.7	106.3
November		105.5	106.7
December		103.0	104.1
1975			
January		105.5	107.7
February		105.2	106.9
March		103.8	103.8
April		101.5	101.7
May		99.4	99.4
June		99.7	100.0
July		100.6	100.9
August		98.8	98.9
September		100.5	100.5
October		101.2	100.8

£100m aid talks by town halls and building societies

By Margaret Stone

Building societies and local authorities are to meet soon to discuss difficulties which have arisen over the £100m made available by the societies to help housebuyers who would normally approach local authorities for finance.

The discussions will also cover the appropriate method of distributing the further £100m of home loan finance which local authorities have asked the building societies to provide.

The initial £100m made available by the societies at the request of Mr Crosland, Secretary of State for the Environment, has all been distributed, but it is now felt that it was a patchy operation.

Some local authorities cooperated readily with the societies—the money was distributed by regions under the aegis of two societies per principal region—but others were not forthcoming

What has emerged from the exercise is a degree of misunderstanding about the kind of lending that building societies are willing to undertake. In fact there is a considerable overlap between the societies and local authorities in providing loans

Tokyo round consultations

Geneva, Dec 16.—The Tokyo round agriculture group today adopted a proposal by the European Community, supported by the United States and Japan, to go ahead immediately with consultations on al tariff and non-tariff measures affecting agricultural products other than cereals, meat and dairy products.

The proposals were based on the procedural agreement reached between the Community and America at last week's meeting of the Gatt trade negotiations committee after a six-month deadlock on agriculture.

Agency staff levels down 10pc

Annual advertising industry performance figures, due to be presented to the Institute of Practitioners in Advertising's Council tomorrow, are expected to show another significant drop in the number of people employed by advertising agencies.

Most major agencies appear to have cut their staff totals by around 10 per cent, which would bring the numbers in agency employment to about 1,500 below the IPA employee totals of 14,900 for 1974. Other agencies, such as Lintas, which cut staff totals by 33½ per cent, Leo Burnett, a 20 per cent cut, and Austin Knight, who fired about 40 staff last month, have shed many more.

The reductions have generally been achieved gradually. Young & Rubican, for instance, have lost 55 people during the year, bringing staff levels to about 340 people.

However, some big agencies have made no reductions. Benton & Bowles, for example, has held its 1974 total of 210 people and at the same time increased billings from about £11.3m to around £12m.

Advertising & marketing

The IPA statistics should show some increase in overall agency billings on the 1974 total of £603m. But the rate of increase is expected to vary widely. Y & R and Masius-Wynne-Williams have both put on about 10 per cent during 1975, but other agencies have shown decreases. In no instance among the top five agencies is the rate of billings increase more than the rate of inflation.

Effect of inflation

The seriousness of inflation on the grocery market is highlighted in a report issued by the A C Nielsen research company this week. The conclusion is that the volume of grocery sales has dropped by about 7 per cent since 1969.

The Nielsen research shows that in the 12 months to August, 1975, spending in grocers stood at an index level of 186 (1969=100) while food prices rated 199 and "real" spending lagged at 93 points.

The most vulnerable products are those where a less expensive substitute is available, or where there has been a very large price increase, or, particularly, where the frequency of use is easily controlled by the user.

Contrary to some predictions, housewives have not turned in large numbers to retailers own-label brands to cut costs. Research based on 18 major product categories shows that the average market share of private label brands has gone up to 21.2 per cent from 20.4 per cent in 1974.

The importance of planning was stressed in Nielsen's recommendations to help manufacturers adapt to the marketing changes. On advertising, the company's suggestion is that for brands established for over five years, advertising should be maintained at about the market share held by the brand.

Patricia Tisdall

LETTERS TO THE EDITOR

Controls on knitwear imports not the cure

From Mr David Fallman

Sir, I have been reading with increasing concern reports of the pressure being placed on the Government by both management and unions involved in the knitting industry to restrict imports of made-up knitwear. My concern exists not because my company do not wish to buy from United Kingdom sources but, on the contrary, because we do wish to and are quite unable to do so in sufficient quantity or variety.

During the past six months or so we have pursued every avenue open to us to reach manufacturers willing to work with us in designing men's knitwear that we consider the market wants to buy. We have visited, following correspondence, almost two-dozen factories with, so far, only minimal success.

It has been a most disheartening experience. It is not a question of price; nor is it a question of volume (my company has a wide distribution to the retail trade, not only in the United Kingdom but also in Western Europe). It is simply a question of persuading manufacturers to be venturesome; to get them to make something other than the designs they made last season—and will make next season. The trade is there for the asking even now because of the progressively higher tariff barriers on non-EEC imports and the abysmal value of sterling.

Import controls are quite unnecessary. They will serve only to preserve existing unimaginative and unprogressive factories and at the same time to reduce choice and increase cost to the consumer. To paraphrase Henry Ford: "They will be able to have any colour they like so long as it is grey." Eventually, controls will have to end, leaving the trade even more defenceless than it claims to be now.

This is not a problem originating with the unions so much as with management, who themselves spend little time or money investing in design or research—always excepting the odd few factories who are progressive and with whom we have been pleased to work for years both amicably and profitably—and seem to resist anyone else who does so.

The trade are bringing this pressure to bear for quite the wrong reasons; yet no one so far has spoken up for those who are forced to import to satisfy the demands of their customers. Let the United Kingdom industry show that it is prepared to be progressive and open to new ideas and the problems they face will disappear overnight.

I am, Sir, your obedient servant,
DAVID FALLMAN,
Director,
Peter Werth,
Springrealm Limited,
Waterloo House,
154/155 Upper Street,
London N1 1RA.
December 12.

Dialling Europe from the United States

From Mr P. J. Hadoulis

Sir, I would refer to the letter published today (December 12) in the Business section from Mr J. L. L. Underhill, of Ridgewood, NJ.

He is wrong when he states that it is not possible to dial Europe from anywhere in the United States. Having recently visited there, I can confirm that one can do so from Jacksonville, Florida, and also some exchanges in New York City, and Montclair, New Jersey. I understand that the remaining exchanges are in the process of being converted to provide the same facility.

Yours faithfully,
P. J. HADOULIS,
Clay Hall,
Copthorne Bank,
Crawley,
West Sussex RH10 3JE.
December 12.

Allocation of North Sea oil revenue

From Lord Campbell

Sir, In his letter (Dece[...] Professor Frend drew [...] to the controversy abo[...] tion of revenue from N[...] oil. But the examples [...] on closer examination, [...] that the subject is no[...] as straightforward [...] suggested.

He compared North [...] with the deep water re[...] Hunterston, where a [...] bulk-carriers and [...] terminal are being [...] The decision to allo[...] development, and ever[...] major steel complex, fi[...] taken by me in 1970 a[...] glad Professor Frend [...] with it. Those propos[...] vigorously opposed, [...] by many among th[...] population and by [...] amenity bodies at a[...] inquiry. Such [...] appeared to regard the [...] as part of United [...] schemes which would [...] local Scottish intere[...] opposite view to P[...] Frend's.

Then parts of East[...] were cited as examp[...] "drabness" in Glasgo[...] ing which could be rep[...] improved by "a [...] infusion of capital". Th[...] dox here is that East[...] far from being a [...] slum, is a housing esta[...] in recent times. It ha[...] much criticized, and [...] for its lack of supportin[...] ities in relation to its s[...] is a prime example [...] "soulless" housing de[...] by Ronald Butt on De[...] 11. It was the produc[...] local authority who [...] evidently concerned to b[...] many new council flats t[...] possible.

A similar local autho[...] the future, furnished with [...] from oil or anything else [...] unfortunately apply the [...] follies. Easterhouse [...] example of the careless [...] money rather than a shor[...] it.

Yours faithfully,
CAMPBELL OF CROY,
Holme Rose,
Cawdor,
Nairn IV12 5NT.
December 15.

Capital values under inflation

From Mr F. Courtney

Sir, May I be permitted to put Mr G. W. Gardiner right, together with I am sure many others who do not realize the effect of inflation on capital values.

In his letter (November 19) "Effect on Borrowing" he assumes a 100 per cent inflation would double capital values of assets from, say, £100,000 to £200,000. This is a popular fallacy, but quite ludicrous. An inflation of approximately half the rate of return expected would have that effect. For example, if the rate of return is assumed to be 10 per cent, that is, £10,000 pa, a rate of inflation of 4.762 per cent is all that is required to double the capital value.

An inflation of 100 per cent would give an infinite capital value. This is quite easily demonstrated. The return starts with £10,000, the next year, it is £20,000, the next £40,000 and so on, when these amounts are discounted at 10 per cent pa, which is the expected rate of return, and added in perpetuity it results in infinity.

In fact, as soon as the rate of inflation is in excess of the rate of return expected from the capital concerned the value is infinite.

To return to the presently experienced rate of inflation, that is almost without exception in excess of expected rates of return. Naturally one would not expect these high inflation rates to continue in perpetuity, but it would be prudent to expect an average 7½ per cent rate to persist for 30 years or thereabouts, thereafter a 2½ per cent rate could continue in perpetuity. If fluctuating exchange rates become the order of the day, then a further 7½ per cent could quite easily be added to these figures, since what we call inflation today is almost entirely the result of same.

It does not require a genius to calculate the resulting capital values. It is, therefore, ludicrous to argue about inflation accounting methods, which concentrate on revenue items only, showing how hard-pressed companies are d[...] inflation, and convenientl[...] getting the resulting c[...] values, which are a large [...] tiple of the resulting infl[...] ary incomes. The m[...] tionals could not finance [...] phenomenal growths w[...] inflation. They have a v[...] interest in inflation.

Surely the answer is [...] nobody wants to admit [...] these capital values exist, [...] otherwise the tax liabi[...] would mount to astrono[...] figures.

Let me give you an exam[...] and I leave you to be [...] judges. Assuming Centre P[...] was worth £5m 10 years [...] and the rate of return wa[...] per cent in perpetuity. The [...] come was thus assumed to [...] £350,000 pa. Since then [...] have had an average rate [...] inflation of 7.146 per cent [...] The present rental wo[...] therefore be £697,940 pa, ig[...] ing any increase in re[...] value due to supply [...] demand.

At 7 per cent return, ig[...] ing inflation, the present v[...] would be £9,970,575. Assum[...] the same rate of inflation [...] continue for a decade, [...] value would be £17,139,155, [...] two decades £24,405,995, [...] three decades £31,772,441, f[...] century £86,243,637, for a [...] lenium £1,530,261,181. W[...] we talk about perpetuity, [...] value becomes infinite.

What is true for Ce[...] Point is true for all other [...] values. If bankers were on[...] realize that, we would no[...] in the position we are [...] today.

Yours faithfully,
F. COURTNEY,
96 Sandown Court,
Southport,
Lancs.
December 5.

E EDITOR

Allocati North oil reve

BY THE FINANCIAL EDITOR

How FFI underlined its independence

in be little doubt that te for Industry had be- wolved in Chrysler's a serious blow would en struck at its credi- could, I suppose, have hat, provided the rate st was satisfactory, the ent's guarantee would ficed to ensure repay- any funds and that a loan to Chrysler described as fully com- That would have got the problem of recon- port for a lame duck obligation to lend a commercially justi- is".

as the City is con- hat would not have spite FFI's persistent that it was not in any vernment agency, and as entirely free from pressure in exercising ment, the impression ared that when the inister's call came, FFI ot be found wanting. was it not the Govern- itiative which set FFI ed in its present form 0m fund for industry? not FFI widely re- —to its own intense as the "Lever Bank"? using to become in- FI has done more to ch notions at a stroke ord Seebohm, its chair- d persisted for years tough, independently peeches of the sort he cently. It seems un- however, that the ent was minded to l very hard, and cer- l has had the sympathy clearing bank share- who are no more inter- in FFI itself in seeing d the right arm of the Enterprise Board.

FFI's reputation will questionably been en- n City eyes by its re- compromise its own of the role it performs, es that leave the clear- s, who are putting up m which FFI turned for them the situation different. They face FFI's "political" diffi-

y can lend at "blue ate or better with un- security at a time when grossly underlent, they as excellent business Unlike FFI, the banks are to face the problem ery penny lent is a enied to someone else, ause may well be more g.

Mr Ladislas Rice, joint chairman and managing director of Burton Group: a yield prop.

n Group

gh times

ıd

latest figures offer ide as to how well it nage to perform in the year when the drop in r spending could easily the gains on the mens- de it has seen in 1975. tailers fighting to main- ir market share, margins ton could well come pressure and it is diffi- see the company main- these as well as it to have done over the r.

d, the current year has started off none too well ales up 9 per cent in terms but practically in volume.

enswear profits come further pressure next there is little cushion he other interests as it ke rather longer than put Rymans and Greens rofitable path. But with rench economy looking there are reasonable that the French shops cut their losses next year. its from debenture re- ons will also come y back, so there is at least bility that profits will not the dividend though with stitutions breathing down ck there is a strong in- e for Burton to do every- to maintain it. Despite day's relative euphoria, the shares are still leaning heavily on the yield of 13.2 per cent at 50p.

Final: 1974-75 (1973-74)
Capitalization £18.4m
Sales £146.5m (£126.7m)
Pre-tax profits £2.5m (£3.35m)
Earnings per share 7.2p (7.42p)
Dividend gross 6.59p (6.59p)

Brown Boveri, Kent

On Swiss lines

George Kent is already looking a good deal better for the injection of Brown Boveri Swiss management and cash. With the old Kent interests that were hived off into SMI excluded for comparability, interim pre-tax profits of the Brown Boveri, Kent group were more than trebled.

Trading profits were 50 per cent better at £1.83m despite the fact that the 27 per cent rise in turnover disguises volume reduction in some areas; a combination of more judicious pricing and selective order-taking improved margins.

The rest of the pre-tax profit improvement is attributable to a drop from £927,000 to £767,000 in interest charges although they are unlikely to fall further in the short-term. Having applied around £4m to reducing Kent's indebtedness (including the Swiss Fr20m loan) and £2.2m to reducing the debt of those parts of Kent that went into SMI, the new management has used up the £6.2m net that BB paid for its stake in BBK.

BBK now needs to expand its working capital in line with inflation and to take capital investment. Following Continental European precedent, the Swiss-dominated board is raising new loans and seems happy to live with a debt equity ratio of about 1:1—high by United Kingdom standards though not by those of the Swiss. That implies continuing "high" gearing and a cautious dividend policy, only a "modest" final payment being in prospect for this year. For investors the only attraction of BBK at 25½p is the hope that the forecast doubling of profits, to around £2m before tax, this year may reduce the need for such Swiss-style financial conservatism.

Interim: 1975-76 (1974-75)
Capitalization £8.85m
Sales £25.9m (£20.4m)
Pre-tax profits £1.06m (£0.29m)
Dividend gross nil (nil)

Marley

Cyclical trends

Pre-tax profits a good 15 per cent above most outside estimates (ex an additional pension fund appropriation of £384,000) was enough to put the Marley share price up 3p to 95p yesterday. But if the full year outcome pointed to a much better than expected second half—thanks largely to a strong performance in the United Kingdom, where second-half profits were up from £4.2m to nearly £7m—what the market really has in its sights now is a significant recovery in earnings per share in 1975-76.

In the year just ended these came back by almost a quarter, thanks to a 10-point jump in the tax charge that reflected lower capital allowances at home and, to a lesser extent, unrecoverable overseas losses. But even if one takes earnings on a fully-taxed basis, there would still seem to be plenty of room for a significant earnings improvement in the current year—enough probably to cut a round five points off a fully taxed historic p/e of 13.

A good deal of this should come straight through from the overseas operations where things are now looking very much brighter following last year's slump in profits from £3.3m to £700,000. Both Canada and South Africa are showing better trends after lower profits last year, and the same applies to New Zealand which reversed into the red. More important, however, will be the projected recoveries in Europe. Germany is already back in the black and France, though it may not achieve profitability for the year as a whole, is budgeted to make a very substantial cutback in the latest year's seven figure loss that resulted from new capacity coming on stream in a period of recession.

Final: 1974-75 (1973-74)
Capitalization £63.7m
Sales £151m (£133m)
Pre-tax profits £11.5m (£11.4m)
Earnings per share 8.9p (11.6p)
Dividend gross 4.68p (4.26p)

LRC International

American loss elimination

Despite a modest 12 per cent growth in sales, LRC's pre-tax profits was up by nearly 30 per cent at the interim stage, somewhat above most expectations even after bullish comments from the group earlier in the year. The shares rose another 4½p to 43½p. The main boost to profits has undoubtedly come from loss elimination in the United States.

Last year LRC made "substantial" losses there in the first half, and North America as a whole, (including Canada) lost a total of £1.1m for the full 12 months. This time North America will be back in profit, after last year's round of destocking by wholesalers and suppliers that involved the group in taking back large lines of products.

At home, the main rubber subsidiary has been on a recovery track since the second half of last year, when the Monopolies Commission report, recommending very large reductions in LRC's selling prices and profits on contraceptives had an adverse impact on sales.

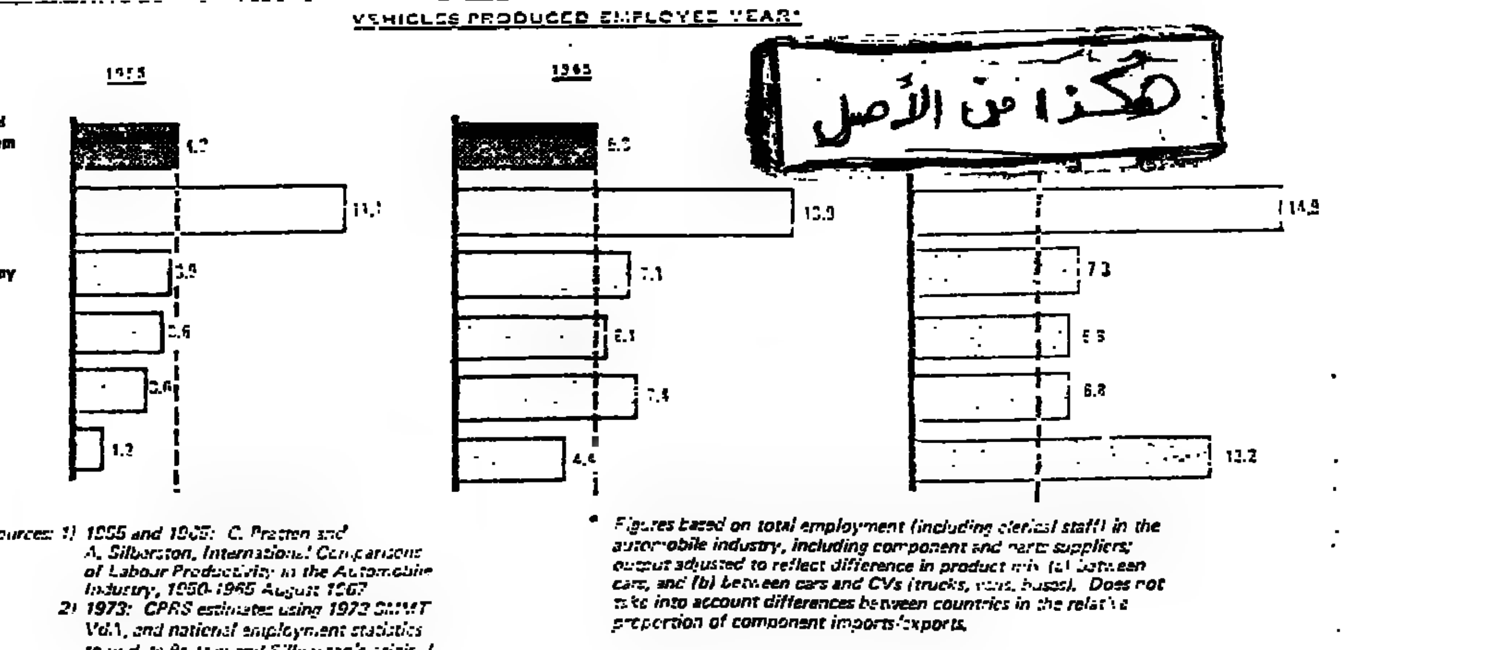
This year profits are restricted in this division to £525,000 under the agreement reached with the Office of Fair Trading. Although this falls far short of the £900,000 reached last year, LRC evidently hopes to squeeze more profits out of the "rationalization" measures recently undertaken.

Although interest charges at the halfway stage are marginally up at £790,000, group borrowings will be down by the March year-end. Meanwhile, LRC is forecasting it will approach the £5.2m pre-tax profits level reached in 1972. Prospective pre-tax profits of £4½m this year suggest a fully diluted p/e ratio of around 9.

Interim: 1975-76 (1974-75)
Capitalization £17m
Sales £32m (£29m)
Pre-tax profits £2.4m (£1.8m)
Dividend gross 1.6p (1.27p)

British motor makers are operating at 45pc below potential, the Government's 'think tank' reported yesterday. Clifford Webb examines the findings in detail

VEHICLES PRODUCED EMPLOYEE YEAR*



Sources: 1) 1955 and 1965: C. Pratten and A. Silberston, International Comparisons of Labour Productivity in the Automobile Industry, 1950-1965 August 1967
2) 1973: CPRS estimates using 1973 SMMT VdA, and national employment statistics to update Pratten and Silberston's original analysis

* Figures based on total employment (including clerical staff) in the automobile industry, including component and parts suppliers; output adjusted to reflect difference in product mix (a) between cars, and (b) between cars and CVs (trucks, vans, buses). Does not take into account differences between countries in the relative proportion of component imports/exports.

Chrysler rescue perpetuates excess capacity in the car industry

The Government's proposal to prop up Chrysler UK with £162.5m is at complete variance with the basic finding of the much delayed report on the British motor industry prepared by the Central Policy Review Staff.

The report emphasizes that there is already 45 per cent spare capacity in British car plants—sufficient to assemble another 1 million cars—and even on optimistic assumptions of market demand in 1980 there will still be unused capacity for 400,000 cars.

The CPRS warning could not be clearer. It says: "Thus if there is no reduction in existing capacity the industry is likely, based on the central forecast of production of 1.6 million, to be operating at only 67 per cent of capacity, below the break even point for the industry of about 1.8 million or just over 70 per cent of capacity.

"Even on optimistic assumptions with a production level of 1.9 million in 1980 the industry would be barely breaking even. It is, therefore, clear that if the industry is to become viable there is no alternative but to cut capacity by at least 400,000 units."

The phasing out of Chrysler 300,000 cars a year capacity would have gone a long way towards closing this gap. As the report points out the Government's role should be limited to mitigating the social effects of plant closures and the manning reductions resulting from higher productivity.

The unpalatable fact, which will be increasingly commented on in the weeks ahead, is that government ministers have been studying the CPRS report for several weeks. They read warnings like the following: "There is no disguising that they (the suggested cutbacks) will involve a sizable drop in the level of employment in the motor industry.

"However, the consequences of failure to bring about these changes will be a great deal more severe than are involved in the changes themselves. The industry could be reduced to a third of its present capacity with direct employment in car manufacture at probably less than a third its present level and indirect employment in the component industry similarly affected."

The CPRS's report *The Future of the British Motor Industry* is the most damning indictment yet of this country's biggest export earner. But it must be said at the outset that the shortcomings it spotlights so dramatically have been well documented within the industry for several years and frequently brought to the attention of government ministers.

The problems are formidable in the extreme. Three of the four British car manufacturers—British Leyland, Vauxhall and Chrysler—are not now viable. What is more, the report says, they are caught in the vicious downwards spiral created when profits are inadequate to finance the investment necessary to introduce new models at the same rate as the competition.

"Model lines become dated, the competitive position worsens and earnings deteriorate. It is the same downward spiral in which the British motorcycle industry was caught and which now threatens the entire British car industry. It is not too late to reverse the process in the case of the car industry but the turnround will require the full cooperation of all the parties involved, workers, management and government, and will only be achieved if the changes outlined are put in hand with speed."

Twenty years ago the British motor industry was the most productive in Europe. Ten years later it had been overtaken by Germany and Italy and caught up by France. In the past eight years it has fallen farther behind, with productivity declining while it has improved everywhere else except in Italy.

With the help of McKinsey, the United States-owned but internationally-based management consultants, the CPRS calculates that productivity in British motor firms—including component manufacturers—is now approximately 30 per cent below France, Italy and West Germany. It does admit, however, that this generalization masks the differences which exist in productivity between different parts of the car production process and between the four British car firms.

To check data supplied by manufacturers, members of the CPRS team, including two engineers, examined plants in Britain, Belgium, Germany and Italy. They reported that it takes twice as many man hours in this country to assemble similar cars using the same or comparable plant and equipment as it does on the Continent.

The implications are extremely serious as the report points out with commendable bluntness. Either twice as many men are needed to produce the same number of cars, which results in a cost penalty of about £30 a car at current wage rates (that would cost British Leyland £35m a year), or equally manned lines are half as productive, which again raises unit costs substantially above the competition.

Productivity in engine and transmission work is slightly better but still well below continental levels. Detailed comparisons suggest between 50 per cent and 60 per cent more labour is required to assemble identical powertrain components.

It will surprise no one within the industry that the report says that Ford is the British company nearest to continental productivity and BL the farthest away.

The causes of low labour productivity are complex, but the report attempts to group them into three categories:

(i) overmanning.
(ii) slow work pace
(iii) under investment in capital equipment.

Overmanning in maintenance is taken as an example of the impact of union demarcations on efficiency. If a multiweld machine used to weld body panels together breaks down in Britain six maintenance men are required—an electrician, a jig fitter, pipe fitter, mechanical fitter, tool man and a repair man. This compares with only two men on the Continent, one mechanical and one electrical worker.

A more critical problem, the report says, is that even when production lines are manned at correct and competitive levels, British output falls short of acceptable targets. This is due to slower line speeds, late starts, frequent stoppages between and during shifts and delays in correcting mechanical faults.

"In other words with the same power at his elbow and doing the same job as the British worker, a continental car assembly worker normally produces twice as much as his British counterpart."

On under-investment the report says that to equal the ratio of capital expenditure to value added in the German motor industry BL would have had to invest an average of £32m a year more than was actually invested between 1970 and 1973. This would have increased its capital programme by an overall 56 per cent.

The fragmented structure of the British industry comes in for considerable comment. The combined British car output is now fewer than Volkswagen achieved in 1974 and about what Fiat expect to produce in a good year.

Too many plants mean needless overheads in rent and rates, light and heat, senior and middle management, communications and transport. To achieve maximum economies of scale in assembly operations (annual production volumes of between 200,000 and 250,000 cars are necessary. Yet the team found that while three-quarters of the 18 continental plants they collected details on met this criteria, less than one third of British plants qualified.

Assuming that British plants could achieve these production levels the report suggests that existing 13 assembly plants could be cut to 10 and still turn out two million cars a year.

Labour relations, the ever present weakness of the British motor industry, took a lot of the team's time. They talked to union leaders, shop stewards and senior management. In addition they carried out a survey of labour relations among car manufacturers in Belgium, France, Italy, the United States and West Germany. Of the three classic indicators of poor labour relations—high absenteeism, high labour turnover and a large number of disputes, they found, to no one's surprise, that British motor workers are less prone to the first two than their continental counterparts but have a disastrous record on disputes.

It is very difficult to make meaningful comparisons between different countries. Definitions of industrial action are far from uniform. Nevertheless, the report says that the number of working days lost last year by car makers in France, Japan and West Germany were negligible. Even strike prone Italy lost only half as many days per man as Britain.

Information obtained from BL, Chrysler UK, and Ford—between them responsible for 90 per cent of British car workers—showed remarkably similar strike records ... Chrysler were worst with 14 days lost per employee and ... and Ford 10 days per employee.

Plant managers interviewed claimed to spend half their time dealing with labour disputes compared with a figure of 5 to 10 per cent quoted by plant managers in Belgium and West Germany.

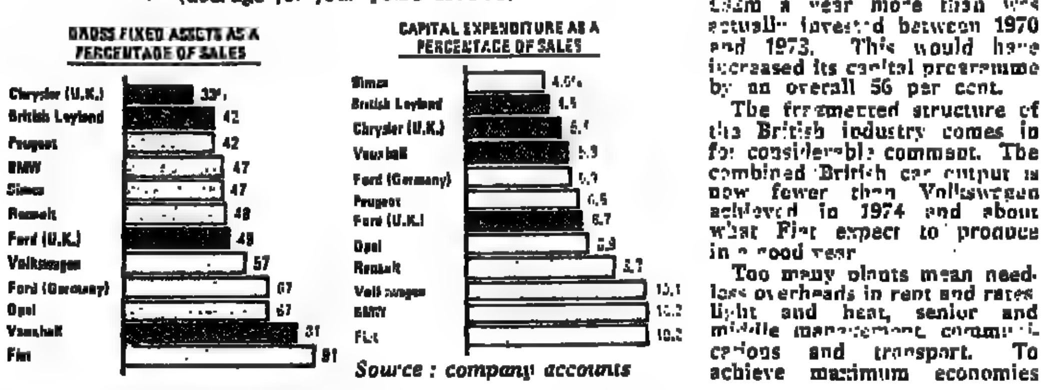
The report says: "The bitterness which is often evident in relations between the two sides, the variety of the causes of the subjects over which disputes arise, and the widely different circumstances of the plants involved, suggest that the problems are deep routed."

It lists six main causes varying from lack of confidence in the industry's prospects to decentralized wage bargaining and a fragmented union structure. So far as remedies are concerned the report is notably lacking. Indeed it would have been surprising if the CPRS had come up with an elixir for something which has taxed the best minds in the industry for over a quarter of a century.

However, it does make one recommendation which shop stewards have been voicing for some time and which manufacturers view with increasing favour. The move from piecework to measured day work was basically sound but it did remove any element of incentive payment.

However, group bonus schemes are used by a number of European motor manufacturers with some success—usually about 15 per cent of total pay—and the report believes that similar moves here could lead to higher productivity.

Comparions of asset base and capital expenditures of British and continental car makers
(*average for four years 1970-73*)



Source: company accounts

Business Diary: BNOC's part-timers • Low notes

hould be told officially tomorrow or the next who are to be the part- members of the British ıal Oil Corporation d by Lord Kearton. The Business Diary can reveal, contain some familiar and lesser-known names.

the former category is Balogh, who earlier this ı announced his resigna- as Minister of State for y. Pointing out that he uitting the Government on ing "The biblical three and ten years", he sug- d that the Prime Minister d in future "feel able to on any support which my ledge and experience t afford."

other familiar name is that Vill Camp, who sprang to e as publicity chief to the Gas Council, went on to the sh Steel Corporation and became personal adviser Lord Stokes when he was rman of British Leyland. lso on the team will be Dr h Penrose, Professor of nomics at London Univer- who in June became a aber of the Medicines Com- sion. Among her many lications is *The International Petroleum Industry*.

Montague Pennell, managing ector of the British roleum Company, and John erman, deputy secretary at Department of Energy, are ely to be named among ers. But the search is parently still on for a chief ecutive. Denis Rooke, deputy chairman of the British Gas Corporation, is said to have turned down an approach.

Reluctant Lady

Among the acknowledgements in Vincent Duggleby's book*, *English Paper Money* which is published today, is one referring to the Bank of England "who have kindly sanctioned publication".

As is sometimes the case with even the most comprehensive of works, that does not appear to be the whole story. Duggleby himself wishes that the Bank which, after all, issues English paper money, had done a little more.

The Bank comes at the foot of the list of corporate thank-yous, below the Inland Revenue, the Public Record Office, the British Museum and the Treasury.

This might have something to do with the Bank's refusal to allow Duggleby to consult any of their records—something the other bodies were only too pleased for him to do.

One reason may be that, from hints to be garnered in the other organizations' files there lies a story that the Bank would prefer to leave untold.

This is the 13-year shouting match that went on from 1914 to 1928 between the Bank and the Treasury, regarded by the Bank as having usurped its right to issue paper currency during those years.

In the years up to 1914, Duggleby explains, gold sovereigns and half-sovereigns were everyday currency and only Bank notes of over the then large sum of £5 were legal tender.

With the Great War imminent, the then Chancellor, Lloyd George, decided that £1 and 10s notes would have to be issued to prevent gold hoarding. The Bank naturally began designing the notes, only to be told by the Chancellor a few hours after the outbreak of war that the Treasury was to issue the notes and was already printing them.

Aghast, the Bank managed to prevail to the extent of making the notes convertible only at Threadneedle Street. The notes were prepared by the Inland Revenue and were at first printed on stamp paper.

One of the notes, whose fortunes Duggleby was unable to trace at the Bank, is the one that forms his frontispiece, a 1914 Bank £1 scrapped because of the Treasury *fait accompli*.

It had been assumed that the only remaining copy was in the Bank's hands, until last year, when three came on the market from the effects of a former governor of the Bank. One fetched £1,200 this June.

*Published by Stanley Gibbons (£3.50), with *Scottish Banknotes*, by James Douglas (£5).

Robert Berry (left), chairman of Alcoa of Great Britain, is to become the first director of the National Anti-Waste Programme. The job, which will last for two years but could be extended, will be to advise Eric Varley, the Secretary for Industry, and Tony Crosland, Environment, on waste management. Dr Berry came to the job through his chairmanship of the research and development committee of the year-old Waste Management Advisory Council, which should be issuing its first progress report soon.

Son of Cefis

The name Cefis no longer means the one-man-band bestriding the Italian business world. As chairman of the Montedison chemical and fibres giant Eugenio Cefis has indeed attained a position of influence surpassed by few other industrialists in the country.

Now, however, his 31-year-old son Giorgio is making a name in merchant banking, having taken the charge of the Italian operations of Morgan Grenfell.

He describes himself as still the "Sorcerer's Apprentice" after only a couple of years with Morgan Grenfell, which included looking after their Milan office.

It has been long enough, however, for him to learn City English, and to almost erase an American accent picked up on boyhood holidays in the United States and Canada.

Giorgio Cefis is punctilious in speaking about banking in terms of "we" and his father's firm as "they", but it is hardly surprising that Morgan Grenfell were prominent in arranging a 45m Eurodollar loan for Montedison announced a week ago.

Cefis junior is taking over the Italian operation after the retirement of the Rome representative, Guy Hannaford.

One of the best known members of Rome's British community and a collector of Chinese works of art, Hannaford entered Rome with the liberation forces in June, 1944, and plans to go on living there.

Gear change

That under-privileged member of German capitalist society, the small shareholder, is being thrown a titbit by the Deutsche Bank in its plans to place the former Flick Group holding in Daimler Benz AG.

Not only does the bank intend to offer half the DM300m (£56m) capital of the new holding company Mercedes-Automobil-Holding AG to the small investor but also says that it will play no part on the Mercedes managing or supervisory boards.

Taking over as managing board members will be Professor Gunther Hartmann, soon to retire as a member of the board of the Otto Wolff Steel Group, and Dr Hans Göring, liquidator of the IG Farben chemical group.

The six-man supervisory board will ... split equally between rep...tives of the small shar...s and the eight instit... which will eventually ho... stakes in Mercedes.

Names put forward for the small shareholders' side include Dr Marcus Bierich, the chairman of the West German Working Group for Share Promotion and Dr Erich Koch of the Frankfurt-based Small Shareholders' Protection Society.

The institutional representatives will become known once it is clear which bodies are investing in the Mercedes holding firm.

"The Government", said Tony Crosland, the Secretary for the Environment, yesterday, "attaches great importance to enabling people to own their homes . . . I am glad that the building societies have reaffirmed their support of this objective." What else would a building society do?

Stock markets

Bargains tumble, but leaders edge ahead

Though marks of 4,500 were the lowest for three months, leading shares still managed to edge ahead on the London stock market yesterday.

Both the Chrysler deal and fresh economic measures from the Government have by now been well discounted and the *FT* Index closed 4.3 better, at 367.8. *This was a little under* the best of the day—368.4 achieved at 1 pm and held for an hour.

The value of equity deals in the short account just ended stood at £503.94m, against £699.51m in the previous period and £347.97m for the comparable account of last year.

The leaders were led up by Pilkington with a jump of 10p to 293p. Others like ICI 326p, Glaxo 370p and Courtaulds 146p were more restrained,

Starting market life together, Magnet and Southerns opened quietly at 161p and had edged up to 165p by the close. One major broker has already strongly recommended the shares to its clients.

gaining two or three pence, but news of the formation of a company to serve the Middle East was good enough to add 4p to Bowater, at 167p.

The possibility that import controls might be close at hand gave a boost to textile shares where Lerose added 4p to 49p, Forminster 4p to 76p, Whitecroft 7p to 110p and Fothergill & Harvey 2p to 77p. John Haggas was also firm at 275p.

Confirmation of the parcel tanker arrangement with Panocean had Tate & Lyle a couple of pence better at 240p while Herbert Morris lost 3p to 61p after news that the offer from Amalgamated Industrials has *been withdrawn, for the time* being at least, pending reference to the Monopolies Commission.

The clearing banks had a better day with Barclays 292p, Lloyds 232p both gaining 4p and National Westminster firming 5p to 240p.

But the financial sector had its weak spots, notably Arbuthnot Latham, off 8p to 160p, Brown Shipley, 10p to 150p, Alexanders Discount 3p to 212p and Hongkong & Shanghai Bank 6p to 294p after its recent good gains.

The improvement in the housebuilding sector was borne out by the better-than-expected results from Marley which were greeted with a rise of 3p to 96p. With the United Kingdom doing particularly well, the results are encouraging for Johnson-Richards Tiles due to report its interim today with the shares firming 1p to 196p.

Marley was mentioned as a possible suitor several weeks ago, and analysis would not be surprised to see a profit up from £1.24m to £1.7m or even higher. Both UBM 73½p and Armitage Shanks 67½p were on the firm side.

Lindsay & Williams, due to report at the end of the week, met one big selling order and dipped no less than 14p to 24p. Distillers, with results tomorrow, firmed 2p to 129p.

A rights issue, with a forecast of profits, helped Green's Economiser to the extent of 5p to 82p.

Insurances and properties were little moved, as were oils where BP 560p and Shell 366p both gained a couple of pence.

Gold shares, where changed, were easier though increased uranium reserves in Australia had Pan Continental 20p better at 950p.

Tuesday's figures still boosted Linfoods, up 17p to 235p, and Woodside Burmah, off 8p to 135p, ran into profit-taking.

Better-than-expected figures and relief that the dividend was maintained had Burton "A" 5p firmer to 50p.

ML Meyer added 3½p to 62p and Property Holdings Investment 7p to 190p after results. LRC International firmed 4½p to 43½p. But IC Gas came off 5p to 353p after a disappointing interim.

Gilts had a quiet day. The market opened better, but was unable to maintain the rises. Although most stocks were still up on the day, gains were marginal.

"Shorts" tended to be mixed, with short-shorts slightly

Fresh talk of an offer for the Inveresk paper group—this time from the United States and at 80p—moved the shares up 4½p to 65p. But because of similar talk in the past leaders are treating the suggestion with caution.

off and the high-coupon long-shorts a 1/16 point harder. The coupon rate on the "yearling" issue was 11¾ per cent.

"Mediums" were unchanged, but "longs", partly as a reaction to recent falls, were ¼ point up.

Equity turnover on December 15 was £48.28m (12,608 bargains). According to Exchange Telegraph, active stocks yesterday were ICI, LRC International, United City Merchants, Burton "A", BTR, Green's Economiser, Inveresk, Trafalgar House, Reed International, Distillers, Slater Walker, Shell, Burmah, BP, British American Tobacco and Beechams.

Latest dividends

Company (and par values)	Ord div	Year ago	Pay date	Year's total	Prev year
Braham Millar (10p) Int	0.6	0.55	16/1	—	1.52
Burton Group (50p)	2.8	2.94	—	4.28	4.41
Crane's Screw (10p) Fin	0.38	0.38	27/1	0.73	0.73
Citicorp	88¢	80¢	—	88¢	80¢
Danks Gowerton (25p) Int	0.7	0.7	13/1	—	1.95
Elec & General (25p) Int	0.45	0.45	2/2	—	1.05
Equity Consort (£1) Int	1.95	2.01	30/1	—	5.42
Imp Cont Gas (£1) Int	3.12*	2.66	29/3	—	6.73
Investment (25p) Int	0.37	Nil	12/1	—	0.77
Keystone Inv (50p) Fin	3.0	2.75	12/2	4.25	4.33
LRC International (10p) Int	1.05	0.85	—	—	2
Marley (25p) Fin	1.54	0.08	6/3	3.04	2.86
Meyer (25p) Int	0.9	0.9	29/1	—	1.9
Moorgate In (25p) Int	0.61	0.61	19/1	—	1.86
Prop Hldg & Inv (25p) Int	2	1.75	22/1	—	4.88
Stanhope General (25p) Int	0.83	0.8	26/1	—	2.28
Tex Abrasives (10p) Int	0.65	0.65	3/2	—	2.7
Ward & Goldstone Int	1.05	1.05	6/2	—	4.45
Wheeler's (10p) Int	1.57	1.47	13/1	—	4.3
W'ton & Dudley (25p) Fin	3.37	3.03	—	4.67	4.37

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross, multiply the net dividend by 1.54.
*On capital increased by rights issue.
¢Cents a share.

H C Janes agrees to £11m Barratt offer

By Ashley Druker

Housebuilding and contracting groups, Barratt Developments and H. C. Janes, have reached agreement on a merger under which Barratt will bid for Janes by share exchange, involving a total value of about £11m.

This is on the basis of 25 Barratt ordinary for every 16 Janes, placing a per-share value on each Janes of 187½ (against the market price before the news of 124p). An alternative offer, for the initial 21 days of the offer, comprises 11 Barratt ordinary plus 430p cash for every 10 Janes, valuing each Janes' ordinary at 175p.

Holders of Janes' ordinary will receive the 2.6812p *interim* dividend for the year to March 31, 1976.

For the year to June 30, 1975, Barratt's pre-tax profit was £6.06m, and consolidated net tangible assets at that date were £12.36m. Janes' profit for the year to March 31 was £2.36m, and assets, £6.43m. Janes' interim profits, reported last week, for the opening half to September 30 were £975,000 (£901,000).

Directors of Janes, advised by Kleinworts, consider the terms fair and reasonable, and will recommend acceptance to members. The directors, families and trusts together hold about 45 per cent of the equity.

Brit Car Auction revs up

Without sustaining the preceding full year's 50 per cent leap to £736,000, British Car Auction Group, one of the world's largest, has made a record start in the half to November 30. Pre-tax profit jumped 26 per cent to £507,000, on auction turnover up from £27.1m to £30.3m. The shares put on 2p to 45p yesterday.

The steady recovery in business reflected during the half is continuing *despite the* restrictions in the flow of used vehicles coming to market because of low sales of new cars.

Encouraging too is that the first two auctions of antique furniture and fine art by Aldridges have been successful. Further sales are planned throughout 1976 with the next two in January at Somerton, Somerset.

Generally, the background is an increase in the cost of new cars—about 40 per cent for the average family saloon—with fleet operators finding that the cost of servicing higher-milage cars becoming greater than that *of replacing* them.

The current accounting period is being extended by two months to July 31, 1976, and as usual an interim dividend will be considered in April.

Rights iss[ue] and recor[d] profits fr[om] Green's

By Tony May

News of a one-for-fo[ur] issue at 57p a share [and a] bumper forecast gave [Green's] Economiser shares a [...] to 83p yesterday. Th[e group,] which makes engineer[ing pro]ducts used in petro[chemical] and steam-generating [equip]ment, plans to raise £9[...] the issue, which is und[erwritten] in part by Hill Samu[el. The] *Green family has arra[nged to]* place the 590,000 new [shares] which will be allotted [...]

Expansion during [...] has made "heavy dema[nds" on] the company's cash. T[he] money is needed [...] £600,000 of further ca[pital ex]penditure next year, as [well as] for extra working capi[tal.]

The group's profits [are hold]ing up well. the year [is] likely to bring in £1.8m against last year's recor[d...] Moreover, shareholde[rs can] look forward to a final [...] of 4.3p, against 1.52p, [...] total for the year o[f ...] against 2.99p.

Items which took a [...] the Green's cash last [year in]cluded the acquisition [of] Brotherton ammonia [...]

Three rights issue s[...] were announced yesterd[ay ...] tish Home Stores was [...] cent taken up, Capper [...] 92.9 per cent, and J. H. F[...] 97.4 per cent.

Surprisingly cheerful interim from Meyer

The return of more stable conditions to Britain's timber fraternity is having a marked effect on earnings in the industry.

At the start of the current financial year, Mr John L. Meyer, chairman of Montague L. Meyer, our biggest merchant, expected mid-year profits to be well down on a year earlier, and more in line with the £2.9m made in the second half. Now he can say that pre-tax profits for the first six months to September 30 were only a few pounds lower at £4.07m. The attributable profit is up 20 per cent to £1.98m as the tax charge dropped.

Although turnover declined some £3m to £70m, there has been a surprise and welcome improvement since the summer. Mr Meyer says turnover and margins remain satisfactory, and he expects "encouraging" results for the full year.

The interim accounts do not include the results of associated companies. Some of these are making losses, but any deficit is more than offset by the *continuing improvement of the rest* of the group. In October the company acquired the remaining equity of Keizer Venesta. This company's five months performance will be included in the full results. Meanwhile, the interim dividend is maintained at 1.34p gross.

J & H B Jackson spurt

Metal merchant J. & H. B. Jackson reports record pre-tax profits of £1.65m for the year ended September 30—a 26 per cent increase on last year. Turnover rose from £10.43m to £12.84m. During the period the group made a £113,000 profit on sale of property and investments, against a loss of £107,000. The board will not pay a final dividend as the maximum allowed has already been paid in the form of two interims totalling 0.7p (0.6p).

Fall at IC Gas is 'no guide' to year

Although Mr F. Zollinger, the chairman, "cannot emphasize too strongly" that the decline in Imperial Continental Gas Association's profits for the six months to September 30 provides no guide to the full year's performance, the shares dropped 5p to 355p on the news.

Turnover rose from £28.3m to *£37.1m, but pre-tax profits are* down from £425,000 to £131,000. There is a net loss of £150,000, against a profit of £91,000. The dividend is 4.8p, against 4p gross, and a total of 12.28p, against 10.23p is forecast.

Last year as a whole produced a record £11m profit, against £9.3m.

Motor Rail mixture

Motor Rail, the Harpenden engineering group whose shares were suspended on Monday because of delay of the accounts, reports a steeper pretax loss for the year to August 31, 1974. The deficit is £272,000, against £35,000 for the 17 months to August 31, 1973. After crediting special items of just over £1m (against a debit of £2.2m) there was a net profit of £752,000, compared with a loss of £2.2m. There is again no dividend. The suspension could be lifted on December 22.

Northern Devs' statement soon

Following recent comment on the affairs of Northern Developments (holdings), placed in receivership in June, the receiver said yesterday that in an endeavour to present a "more meaningful picture", a summarized statement will be prepared by the surviving directors, which will be submitted to the receivers "very shortly".

Referring to an alleged statement of affairs at June 2 of a surplus after meeting the claims of unsecured creditors, the receivers say there would be a "substantial deficiency" were it not for an increase of some *£3m, which the directors had* made over the land valuation given by independent chartered surveyors. This firm, however, have confirmed to the receiver that they cannot at present support any increase over the figures given.

The receivers therefore do not agree to the suggestion that assets exceeded liabilities at the date of their appointment. They also do not accept the accuracy and deny the relevance of the *statement by Mr Derek l[...]* the former chairman, on [...] of land sales before and the receivership.

W'hampton & Dud[ley] sparkling brew

In line with most of th[e rest] of the trade Wolverhamp[ton &] Dudley Breweries, which [has] some 777 outlets, s[...] record profits of £4.21m—[a rise] of 23 per cent—for t[he 12] months to September 3[0. Net] sales increased 33.7 per [cent] *to £26.5m. A total divide[nd of]* 7.19p gross (against 6.53[p) is] recommended.

Sales increased in all s[...] with the fine summer the [main] influence. The free [trade] department also is now m[aking] a "significant" contribu[tion to] sales and profits.

Poor finish by Dupl[e]

Pre-tax profits up £54,0[00 to] £154,000 after the firs[t six] months, the lower profit [for] the full year to August 31 [...] aged by the Duple Interna[tional] (formerly Cranleigh) ho[...] group turn out to be a d[...] tumble from £772,000 [to] £266,000, and thus a loss [...] tion in the second leg. The[re is] again no dividend.

The preceding year's £77[...] pre-tax, after special deb[its of] £832,000 (£69,000) brou[ght] about an "attributable" loss [of] some £470,000. This time rou[nd,] after debiting extraordin[ary] items of £452,000, *the slide i[nto]* the red at attributable le[vel] amounts to £371,000.

LOCAL AUTHORITIES
Rate on bonds is unchanged this week at 11¾ per cent. Newham, Lancashire, the Highlands, and Hereford & Worcester are raising over £1m while Adur offers an 18-month bond at 12¾ per cent.

RIVAL BID FOR RIPOLIN
CDF-Chimie, the chemicals unit of the state-owned coal authority Charbonnages de France, has made a counter bid for the French paint concern, Ripolin-Georget-Freitag SA. Last week, Petrofina, the Belgian petroleum company, bid 80 francs a share for Ripolin with the intention of acquiring at least half the equity. CDF-Chimie is bidding 95 francs a share, with the aim of acquiring a minimum 187,000 of the company's 366,000 shares.

BOWATER ARABIA
To take advantage of Middle East opportunities, Bowater has set up a wholly-owned subsidiary, Bowater Arabia, beamed at Egypt, Iraq and the Gulf States.

$200m LOAN TO NZ FIRM
An international group of banks led by Citicorp International, is to provide a $200m nine-year multi-currency loan to state-owned Offshore Mining, New Zealand. This is the first nine-year loan to be brought to the Euro-currency market since the summer of 1974, and carries a 1½ per cent margin over Eurodollar interbank-rates.

WILLIAMS & GLYN'S BANK
W. & G. Bank (member of National and Commercial Banking group) reports profits (before tax and extraordinary items) of £11.61m for year to September 30, against £11.75m. After tax and items, profits were up from £3.67m to £6.76m.

WARD & GOLDSTONE
In half-year to September 30, sales declined from £20.08m to £17.69m and pre-tax profits from £853,000 to £830,000. Interim payment, 1.61p gross (1.56p gross).

WHEELER'S RESTAURANTS
Turnover up from £1.38m to £1.57m in half-year to September 30, but *pre-tax profit down from* £180,000 to £152,000. Interim dividend, 2.41p gross (2.19p gross).

BRAHAM MILLAR
In half-year to end-September, turnover rose to £3.23m (£2.1m), including exports of £1.76m (£636,000). Pre-tax profits up from £169,000 to £333,000. Board expects second-half's profits to match first's.

CRANE'S SCREW
Turnover for 12 months [to] July 31, £3.93m (£3.77m), but [pre-]tax profit down from £251,00[0 to] £88,000. Provision for estim[ated] deficiency in realization of a[ssets] of castor and pressing operat[ions] £34,000. Realization will resu[lt in] cash injection in group of £26[...] over two years. Total payn[ent] 1.13p gross (1.09p gross).

JOHN BOOTH (BOLTON)
In six months to Septembe[r] *pre-tax profit rose from £5[...]* to £98,000 on turnover up [from] £2.35m to £2.88m.

THE INVESTMENT CO
Net profit before tax for [the] year to September 30, £6[...] (£66,000). Interim pay[ment] 0.577p gross (nil). Subject to [con]tinued progress, total for [...] should be increased by max[imum] allowed (1.19p gross last [...]

Business appointments

Managing director for Shell UK

With the termination of the Shell-Mex and BP partnership on December 31, Mr H. B. Greenborough, chief executive and managing director of that company, will become, as from Janu*ary 1, managing director* and deputy chairman of Shell UK.

Sir Derek Ezra, chairman of the National Coal Board, is to succeed Sir Frederick Catherwood as chairman of the British Institute of Management next October.

Mr D. Warren has been appointed chairman of Courtaulds viscose division board. He succeeds Dr N. S. Wooding, who continues as main board director responsible for the group's viscose operations.

Mr C. W. Garnett has retired from the boards of Lake View Investment Trust/Border and Southern Stockholders Trust. Mr C. A. McLintock has been appointed chairman of the companies.

Mr D. F. Cowne and Mr D. Mitra have joined the board of Polymark.

Mr George Ross Goobey has been made a director of Warnford Investments.

Mr Robert Chapman is relinquishing his appointment as regional chairman of Industrial Tribunals for Birmingham, and Mr Richard Smith is to succeed him with effect from January 2. Mr Chapman will continue to serve as a full-time chairman for *Birming*ham.

Mr C. A. Greenway has resigned from the board of Trust Houses Forte.

Dr Robert Berry, chairman of *Alcoa of Great Britain, is to be*come the first director of the National Anti-Waste Programme.

After the death recently of Mr A. Y. Wilson, Mr E. G. T. Firth has been appointed chairman of James Austin Steel Holdings. Mr L. V. Hampshire becomes deputy chairman. Mr Dennis Charlton and Mr Roger Tennant Firth, executive directors of the principal subsidiary, James Austin & Sons (Dewsbury), have been made directors of the company.

S E commissions

A monopoly case to ponder

Today brings the Stock Exchange Council's Christmas lunch, an event that doubtless will be under something of a cloud this year *following the* death of Michael Marriott, the former Stock Exchange chairman. But while today's fare should prove to the taste of Council members, investors will be wishing them indigestion. For today also brings a Council meeting at which the major item on the agenda is likely to be increases in Stock Exchange commissions.

Whether the Council will swallow the recommendations of the commission review committee hook, line and sinker remains to be seen—and the idea remains that *no one should* in fact see anything until after the Price Commission has had its say. Nor without sight of the evidence available to the Council or the Price Commission is *it particularly easy* to offer an opinion on what should be done. But the issue does seem to me to rest on three main considerations.

The first is whether there is a genuine financial need for higher commissions in the context of the present stock market structure. A sample survey of brokers' costs, apparently, produced a wide range of cost increases among member firms, though in all cases above—and generally, very substantially above—the kind of commission rate increases that the commission review committee seems likely to recommend. At the same time, of course, there has been a very significant recovery in stock market volume and brokers' income this year.

But that is not quite the end of the story. For the Council presumably will also need to take a view, first, on whether the recovery *in business is* likely to be sustained and, second, on whether they are likely to have to make a further increase next year in the general levy on member firms to help cover the Exchange's own mounting expenditure.

The second consideration must concern the weighting of any increases. And here the *issue is not an easy one.* Deals of under £5,000 bore the brunt of the increases early this year, and the idea is that the next round of increases will fall largely, if not totally, on deals above the £5,000 level. But the problem here appears to be that it is not the medium and larger-sized deals that are *worrying* brokers: it is the small deal which *still brings in* a relatively small amount of commission, but which can involve just as much expense to transact, both in terms of time and paper work, as an institu*tional* deal. This is all the more true where commission is shared with an agent such as a clearing bank.

It may be that part of this problem can be dealt with through some alterations in the relationships between brokers and agents. There might, for instance, be room for revising agents' scales on very small *deals* and on deals above £5,000. But it still looks as if there is no way that brokers can say every deal should be profitable in its own right if they wish to maintain any kind of *market for small investors.*

Thirdly, there are the br[oader] considerations. These [are] largely out of the question[: are] increases at this stage [...] undesirable long-term c[onse]quences? It is, of course, [tempt]ing to argue that the p[...] institutional oppositio[n to] higher commissions was o[nly to] be expected and can safe[ly be] taken as a lot of hot air[, and] that may, indeed, be right[. But] I would suggest that it is [time] for the Stock Exchang[e to] remember that, despite [...] it is still very much a mono[poly] market.

That does not mean t[...] that monopolies must neve[r ...] to counter higher costs. [But it] does mean that they must [pro]ceed with *caution. It* ma[y be] that the retreat of the [private] investor from the market [has] much to do with Govern[ment] economic policies as it has [to do with] sharply higher commi[ssion] rates.

But one of the criticis[ms ...] the larger investors [...] higher commissions is t[hat the] winds of competition have [never] *been allowed to reduce* the [man]power and overheads o[f the] securities industry to t[he] modest size at which they [...] it could still work perf[ectly] efficiently.

As consumers, therefore, [...] increasingly wonder wh[ether] they should not have mor[e say] in the way in which the ma[rket] is run. Certainly, the Stock [Ex]*change* liaises more [...] with its consumers, but [there] are precedents elsewhere [...] consumers having somet[hing] more than a consultative [...]

John Whitm[...]

هكذا من الأصل

[MA]RKET REPORTS

[Fore]ign [Exc]hange

[Sterli]ng closed 15 points firmer [against] the dollar on the foreign [exchang]es yesterday, at $2.0185. [The pou]nd's effective devaluation [against] Britain's major trading [partners] narrowed finally from [30.1 to 3]0.0 per cent.

[Dealer]s said the market was [generall]y quiet throughout, indi[cating th]e general lack of interest [ahead of] the year-end.

[Sterlin]g's improvement reflected [a gener]al easing of the dollar [than curr]ent strength, although the [pound] may have shown some [concern o]ver the spelling out of [the Gove]rnment's rescue plan for [Chrysler].

[Contin]ental currencies hardened [at the] expense of the dollar. [Deutsche] marks improved from [2.6380 t]o 2.6345; French francs, [from 4.4]740 to 4.4710; and Swiss [francs f]rom 2.6385 to 2.6305, the [latter st]ill benefiting from end-[year bal]ance sheet operations.

[Japane]se yen improved from [305.70 t]o 305.50 after news that [the Nov]ember trade surplus had [...].

[Gold r]ose 75 cents an ounce in [quiet tr]ading to close in London [at $139.]00.

[Rece]nt Issues

[illegible]

[Rights] issues [illegible]

[Issue pr]ice in parentheses. * Ex dividend. [† Issued by] tender. ‡ Nil paid. a £4l paid. b £30 paid. c £20 paid. g £50 paid. h £25 paid.

[B]ank Base Rates

[Barc]lays Bank ..	11%
[...] London Secs	11%
[C.] Hoare & Co ..	*11%
[Lloy]ds Bank	11%
[Midl]and Bank	11%
[Nat] Westminster ..	11%
[West]minster Acc's	11%
[Shen]ley Trust	12½%
[20th] Century Bank	12½%
[Willi]ams & Glyn's	11%

[* 7 day dep]osits on sums of [£10],000 and under, 7%, [up] to £25,000, 7¼%, over [£25],000, 8¼%.

[Te]lex for Xmas

[...]cuts through postal delays [...] office slack. At certain times [...] is essential—like Xmas, New [Year,] Easter, July holidays—and [any] time you have an urgent [matte]r to correspond. Telex will [c]ut your 'phone bill and save writing.

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[Brit]ish Monomarks, Est. 1925

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1974/75 High	Low	Company	Last Price	Ch'ge	Gross Div(p)	Yld %	P/E
[illegible]	25	Armitage & Rhodes	28	—	3.0	10.7	7.4
[illegible]	94	Deborah Services	99	—	7.5	7.6	5.2
[illegible]	90	Henry Sykes	137	—	4.9	3.6	9.1
[illegible]	18	Twinlock Ord	22	—	0.9	4.2	5.4
[illegible]	45	Twinlock 12% ULS	53	—	12.0	22.6	—
[illegible]	48	Unilock Holdings	59	—	4.5	7.6	11.4

mlm

[M]ontague L. Meyer Limited Interim Report

UNAUDITED GROUP RESULTS

	6 months ended 30th September 1975 £'000	6 months ended 30th September 1974 £'000	Year ended 31st March 1975 £'000
[TUR]NOVER	70,000	73,000	135,000
[TRA]DING PROFIT	6,525	7,621	13,228
[D]epreciation	(913)	(787)	(1,685)
[In]terest Payable	(1,542)	(2,723)	(4,715)
	4,070	4,111	6,828
[Shar]e of Profits (less losses) of [A]ssociated Companies ..	—	—	191
[PRO]FIT BEFORE TAXATION ..	4,070	4,111	7,019
[T]axation	(1,930)	(2,301)	(3,592)
[PRO]FIT AFTER TAXATION ..	2,140	1,810	3,427
[M]inority Interests	(154)	(163)	(300)
[PRO]FIT AVAILABLE FOR [A]PPROPRIATION	£1,986	£1,647	£3,127

[In th]is statement issued with the [1975] Annual Report in July, the [Cha]irman indicated that results [for] the six months to 30th Sep[tem]ber 1975 should be in line [with] those of the second half of [the] previous year. In fact, the [hal]f year's figures show a sub[sta]ntial improvement due to [inc]reased turnover since the [su]mmer. Turnover and margins [rem]ain satisfactory and encourag[in]g results are anticipated for [th]e full year.

[In] accordance with the Group's [us]ual practice, the results of [as]sociated companies are not [in]cluded at the half year. Certain [of] these companies are making [lo]sses due to the prevailing [ec]onomic conditions, but these [lo]sses are being more than com[p]ensated by the continuing [i]mprovement in the rest of the [G]roup. The Company acquired [5]0% of the issued capital of Keizer Venesta Limited on 9th May 1975 and the remaining 50% on 29th October 1975. No contribution has, therefore, been included for the half year, but five months' profits will be consolidated in the results for the full financial year.

The dividends on the Preference and Preferred Ordinary shares for the period absorb £5,000 (1974 £5,000). The Board has declared an interim dividend of 0.9p per share (1974 0.9p) on the Ordinary Share Capital, which will absorb £368,000 (1974 £368,000). The interim dividend will be paid on 28th January 1976 to holders on the register on 5th January 1976.

mlm

Villiers House, 41-47 Strand, London, WC2N 5JG

Spot Position of Sterling

[illegible]

Effective devaluation since Dec 21, 1971 [illegible]

Forward Levels

[illegible]

Canadian dollar rate (against US dollar), [illegible]

Eurodollar deposits (%) calls, [illegible] seven days, [illegible] one month, [illegible] three months, [illegible] six months, [illegible]

Gold

Gold fixed: am, $139.65 [illegible] pm, $138.90.

Krugerrand (per coin), $142.50-144.50 [illegible] (domestic); $142.25-144.25 (£70.25-72.50) (international).

Sovereigns (old), $42.25-44.25 (£20.75-22.25) (new), $41.50-43.50 [illegible] (international).

Discount market

The supply of fresh credit proved adequate and the authorities found no need to intervene. Fearing a repetition of Monday's performance, when late balances had been difficult to come by, houses mostly paid up in the region of 10½ to 11 per cent during the early part of the day to ensure that they were well placed.

In the event, it seems that one or two houses may have gone a little beyond their needs, and rates at the close came off to finish within a band of 8 to 10 per cent.

As usual on a Tuesday, there was a substantial flow of money from the Exchequer and the excess of these disbursements over tax receipts comfortably took care of the adverse influences, which included a small settlement for official gilt sales.

Money Market Rates

Bank of England Minimum Lending Rate 12½% (Last changed [illegible])

Clearing Banks Base Rate 11%

Discount Mkt Loans %

Overnight: Open 11 Close 10½

Week Fixed: 10¾-11

Treasury Bills (Dis %)

Buying [illegible] Selling [illegible]

Prime Bank Bills (Dis %) Trades (Dis %)

[illegible]

Local Authority Bonds

[illegible]

Secondary Mkt. CD Rates (%)

[illegible]

Local Authority Market (%)

2 days	10¾-10½	3 months	11
7 days	10¾-10½	6 months	11¼
1 month	10¾	1 year	[illegible]

Interbank Market (%)

Overnight: Open 10¼ Close 9¾

1 week	10¾	6 months	11-11¼
1 month	[illegible]	9 months	[illegible]
3 months	[illegible]	12 months	[illegible]

First Class Finance Houses (Mkt. Rate %)

3 months 11½ 6 months 11½

Finance House Base Rate 12%

Commodities

[illegible]

Wall Street

New York, Dec 16.—The New York stock exchange closed with a solid gain today. The Dow Jones industrial average rose 7.71 points to 844.30. Gaining issues outnumbered decliners by 939 to 462.

Volume totalled 16,350,000 shares compared with 13,960,000 traded yesterday.

Brokers said investors were encouraged by lower interest rates and news of improved car sales and better retail inventory levels.

They also said by all appearances year end tax-loss selling had pretty much dried up. In its place they said was some buying in anticipation of an expected year-end rally.

Silver gains 9.9 cents

New York, Dec 16.—SILVER futures finished slightly under the day's highs with gains of [illegible] cents on scattered demand from bargain hunters. [illegible]

GOLD.—[illegible] NEW YORK COMEX. [illegible] CHICAGO [illegible]

COPPER.—Futures closed steady [illegible]

SUGAR.—World sugar futures in No 11 contract [illegible]

COTTON.—Prices at the close being [illegible]

COFFEE.—Futures in "C" contract closed near the lows of the day [illegible]

COCOA.—[illegible]

WOOL.—[illegible]

SOYABEANS.—[illegible]

Magnet & Southerns

Magnet & Southerns' offers for Magnet Joinery and Southerns-Evans declared unconditional. Acceptances received for 94 per cent of Magnet ordinary shares and 93.2 per cent of Southerns' ordinaries. Dealings in M & S new shares will start today.

Eurobond prices (midday indicators)

[illegible]

[illegible]

Authorized Units, Insurance & Offshore Funds

[illegible]

Authorized Unit Trusts

[illegible]

Insurance Bonds and Funds

[illegible]

Offshore and International Funds

[illegible]

Canadian Prices

[illegible]

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...1

...am, The Engineer ...h the Looking Glass. ... Institution Christmas ...s to Young People, ...y Professor Eric Laith... 12.30 pm, Day and Night. News. 1.00, Pebble Mill. ...00, In The Town. 3.43, Cradock Cooks for ...nas. 4.00, Play School. ...

BBC 2

10.35 am, Nai Zindagi Naya Jeevan. 11.00-11.25, Play School.
7.05 Trade Union Studies.
7.30 Newsday.
8.00 Twiggy. 8.35 Arena: European Architectural Heritage Year.
9.05 Face the Music.
9.35 Globe Theatre. F. Scott Fitzgerald in Hollywood, by James Costigan, with ...

Thames

9.50 am, Film: Ulysses, with Kirk Douglas, Silvana Mangano. 11.30, The Breck Country. 12.00, Here Comes Mumfie. 12.10 pm, Hickory House. 12.30, Mr and Mrs. 1.00, News. 1.20, Lunchtime Today. 1.30, Crown Court. 2.00, Good Afternoon. 2.30, Couples. 3.00, About Britain. 3.25, Looks Familiar. 3.55, General Hospital. 4.25, ...

ATV

10.40 am, Planting for Pleasure. 11.05, Survival. 11.30, Paulus. 11.40, Woody Woodpecker. 12.00, Thames. 1.20 pm, ATV News. 1.30, Thames. 5.20, ATV Today. 5.50, News. 6.00, ATV Today. 6.35, Thames. 12.00, Rev Frank Wilson.

Southern

9.55 am, Film: Don't Raise the ...

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(continued on page 24)

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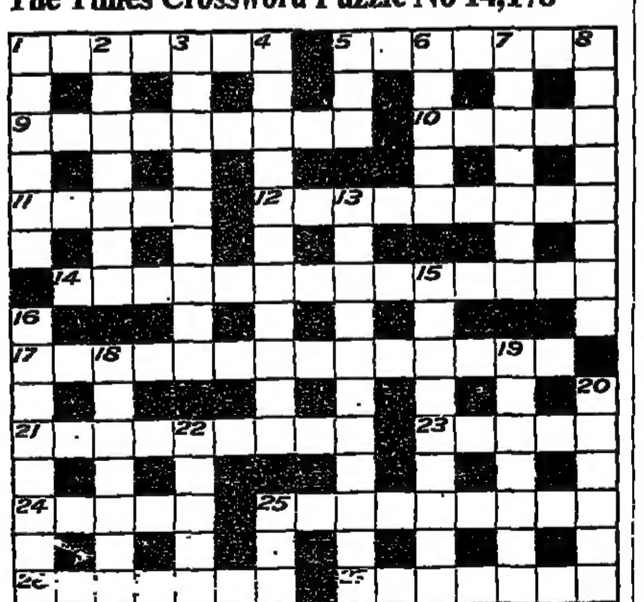
DEATHS

The Times Crossword Puzzle No 14,178



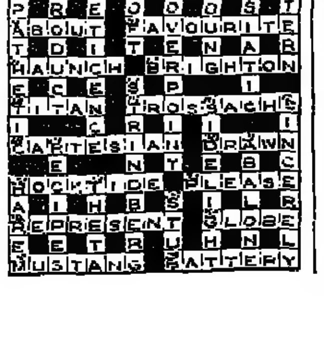
ACROSS

1 Ragout for Henry and company, say (7).
5 What's afoot with Tom? He's made use of (4-3).
9 Quota of Soviet fighters moving from place to place (9).
10 Attraction includes a hundred as pecuniary profit (5).
11 A type like Feste retires some way off (5).
12 Standard CID staff (9).
14 English set pace for a change, in obstacle racing (14).
17 Sky-lights for igloo-dwellers (6, 8).
21 Anxiety about contact providing the scroll work (9).
23 Iron block in a suburban villa (5).
24 Evade the trick (5).
25 Lacking in schooling and badly turned out (9).
26 Georgia's principal supplier of heat? (3-4).
27 Bouncers whose object is to put people out (7).

DOWN

1 Collection of songs "organized"? (6).
2 Students' festivity not entirely worthy of the plant (7).
3 He'll drive well over 300 yards for my money (9).
4 Describing "tomorrow" in the "recorded time" context (11).
5 Scapegoat's burden (3).
6 Stories of filling jury vacancies (5).
7 By whom Mimi, for one, was noted (7).
8 Debris scattered by crew, a keg perhaps (8).
13 About now, from time to time (11).
15 "Smooth as monumental ——" (Othello) (9).
16 Rover's behaviour may be alarming (5-3).
18 Church screen of the rose-red variety (7).
19 Written in metrical form, or the opposite? (7).
20 Greece, we hear, produces such pictures for the screen (6).
22 It's grand without the spoken dialogue (5).
25 French article about river vessel? (3).

Solution of Puzzle No 14,177



THE SHAFTESBURY HOMES AND 'ARETHUSA'

THE ARK IS OUR PROMISE —WITH JOHN

PERSONAL COLUMNS

ALSO ON PAGE 23

CHRISTMAS GREETINGS PRIVATE

MAURICE AND HILDA LAING

wish all their friends a very happy Christmas. They are not sending cards this year but are making a contribution to the Canterbury Cathedral appeal.

ROBERT & CHRISTINE SANGSTER and family send to all their friends and acquaintances best wishes for a very Happy Christmas and New Year—donation has been sent to The Injured Jockeys Fund.

MR. & MRS. CECIL McBRIDE, of Carn-a-Garff, Moville County, Donegal, send good wishes to their many friends for a very happy Christmas and a bright and prosperous New Year.

MRS. ARTHUR CHARLES DAUBENY regrets she is unable to send any Christmas cards this year owing to ill health. A happy Christmas and a prosperous New Year is extended to all her friends.

SIR FRANCIS and Lady Cook wish all their friends a very happy Christmas and New Year.

SIR JOHN DIXON will not be sending cards this year but wishes all his friends a very happy Christmas and New Year.

VIVE AND JOHN LAURIE send best seasonal wishes to family and friends.

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LES AMBASSADEURS

The Mills family committee and Club Staff wish all members a Merry Christmas and a Happy New Year.

ACORN

We'd like to wish everyone who has dealt with us this year A Very Merry Christmas

IN MEMORIAM

FUNERAL ARRANGEMENTS

CHRISTMAS GREETINGS PRIVATE

ANNOUNCEMENTS

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CANCER RESEARCH

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MOROCCO

SKI! SKI! SKI!

CHRISTMAS IN TUNISIA

MARBELLA

THE EXPERTS

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(continued on page

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